

# The NATIONAL UNDERWRITER



## GENERAL REINSURANCE GROUP

Largest American multiple line market  
dealing exclusively in Reinsurance

### GENERAL REINSURANCE CORPORATION

Financial Statement, December 31, 1948

#### ASSETS

Cash in Banks and Offices . . . . .	\$ 3,825,466.17
Investments:	
United States Government Bonds . . . . .	\$23,281,000.58
Other Bonds . . . . .	8,912,317.84
North Star Reinsurance Corporation Stock . . . . .	5,407,098.92
Other Preferred Stocks . . . . .	1,361,320.00
Other Common Stocks . . . . .	6,480,604.90
Total . . . . .	45,442,342.24
Premiums in course of collection (not over 90 days due) . . . . .	1,526,666.54
Accrued Interest . . . . .	170,464.28
Other Admitted Assets . . . . .	30,657.79
Total Admitted Assets . . . . .	\$50,995,597.02

#### LIABILITIES

Reserve for Claims and Claim Expenses . . . . .	\$22,986,091.47
Reserve for Unearned Premiums . . . . .	7,327,140.61
Reserve for Commissions, Taxes and Other Liabilities . . . . .	3,586,441.59
Voluntary Reserve . . . . .	\$ 2,095,923.35
Capital . . . . .	5,000,000.00
Surplus . . . . .	10,000,000.00
Surplus to Policyholders . . . . .	17,095,923.35
Total . . . . .	\$50,995,597.02

Bonds and stocks owned are valued in accordance with the requirements of the New York State Insurance Department. On the basis of December 31, 1948 market quotations for bonds and stocks owned (other than stocks of affiliates), Total Admitted Assets would be decreased to \$50,979,218.19 and Voluntary Reserve to \$2,079,544.52. Securities carried at \$4,833,685.16 in the above statement are deposited as required by law.

Casualty • Fidelity  
Surety

### NORTH STAR REINSURANCE CORPORATION

Financial Statement, December 31, 1948

#### ASSETS

Cash in Banks and Office . . . . .	\$ 1,195,620.23
Investments:	
United States Government Bonds . . . . .	\$13,921,908.00
Other Bonds . . . . .	1,598,431.66
Common Stocks . . . . .	757,878.00
Mortgage Loans . . . . .	17,370.00
Total . . . . .	16,295,587.66
Balances due from Ceding Companies (not over 90 days due) . . . . .	765,412.80
Accrued Interest . . . . .	72,007.02
Other Admitted Assets . . . . .	29,781.94
Total Admitted Assets . . . . .	\$18,358,409.65

#### LIABILITIES

Reserve for Claims and Claim Expenses . . . . .	\$ 1,855,105.00
Reserve for Unearned Premiums . . . . .	10,715,676.80
Reserve for Commissions, Taxes and Other Liabilities . . . . .	359,986.08
Capital . . . . .	\$1,300,000.00
Surplus . . . . .	4,127,641.77
Surplus to Policyholders . . . . .	5,427,641.77
Total . . . . .	\$18,358,409.65

Bonds and stocks owned are valued in accordance with the requirements of the New York State Insurance Department. On the basis of December 31, 1948 market quotations for bonds and stocks owned, Total Admitted Assets would be decreased to \$18,313,888.62 and Surplus to \$4,083,120.74. Securities carried at \$513,458.56 in the above statement are deposited as required by law.

Fire • Inland Marine  
Ocean Marine

90 JOHN STREET, NEW YORK 7

THURSDAY, MARCH 17, 1949

# **BLAST IN BUENOS AIRES...** **BRINGS A** **SHUDDER IN** *Chicago!*

**BOOM!** An explosion shakes the outskirts of Buenos Aires—building material and equipment blown sky-high—and a small American construction firm faces failure on its first foreign job!

In the firm's Chicago headquarters, a moment of shuddering panic . . . then calm reassurance. A phone call to the firm's *local* insurance agent confirms that adequate coverage is in effect—sound, *American* protection placed right in Chicago through facilities of the American Foreign Insurance Association!

This single illustration dramatizes a need felt by every American firm, either great or small, with interests abroad: the need for sound insurance protection of foreign undertakings—*protection arranged and controlled close at home.*

*You* are the agent who can supply that desired protection through fire, marine or casualty insurance. American Foreign Insurance Association makes it easy. You need merely make the contact—then write us about the specific risk as you find it. We quote a rate—prepare and deliver the policy. You gain new prestige and profit. In this year of opportunity, remember: *The foreign field is your new horizon—capitalize on it!*



## **AMERICAN FOREIGN INSURANCE ASSOCIATION**

**30 MAIDEN LANE • NEW YORK 7, NEW YORK**

CHICAGO OFFICE: INSURANCE EXCHANGE BUILDING, 175 WEST JACKSON BLVD., CHICAGO 4, ILLINOIS

**COMPLETE INSURANCE COVERAGE IN FOREIGN LANDS**

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April and May) by The National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 53rd year, No. 11, Thursday, March 17, 1949. \$5.00 a year (Canada \$6.00). 20 cents per copy. Entered as second-class matter April 25, 1931, at the post office of Chicago, Ill., under Act of March 3, 1879.

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## N.A.I.A. Eastern Conference Draws 300 to Baltimore

Expenses, Commissions  
Are Featured; Wallace  
Elected Chairman

### NEW OFFICERS ELECTED

Chairman—A. C. Wallace, Goshen, N. Y.  
Vice-chairmen—Edwin S. Cowles, Jr., Hartford, and H. Earl Munz, Paterson, N. J.  
Secretary—Henry Dudley, Washington, D. C.  
Treasurer—D. J. Lowd, Northampton, Mass.

BALTIMORE—The first meeting of the eastern territorial conference of National Assn. of Insurance Agents drew more than 300 agents and company men from 12 states to the Lord Baltimore hotel here this week. Heretofore these territorial gatherings have been half-day sessions only fitted into the annual and midyear meetings of N.A.I.A.

As the conference is something new and the forerunner of what is hoped to



W. H. Wiley



M. V. V. White

be a permanent practice of N.A.I.A. the convention leaders proceeded slowly and carefully to organize. Morton V. White, Allentown, Pa., was chairman at this session, with A. C. Wallace,



A. C. Wallace



E. A. Rossmann

Goshen, N. Y., vice-chairman; William H. Wiley, Hartford, secretary, and E. Albert Rossmann, Baltimore, treasurer. These four with H. Earl Munz, Paterson, N. J., constituted the general convention committee. Mr. Rossmann, president of the Maryland association, served also as chairman of the local committee on arrangements assisted by George S. Robertson, executive secretary of the Maryland association.

Large delegations attended from Maryland, Pennsylvania, New York, New Jersey and Connecticut, with rep-

(CONTINUED ON PAGE 14)

## 80 LEADERS SHOWN

# Stock Companies Graded by Assets and Premiums

## ADMITTED ASSETS

Company	Admitted Assets	Comparative Standing for Each Year
	Dec. 31, 1948	1947 1946 1945 1944 1943 1942 1941 1940 1939
Home	285,245,438	1 3 3 3 3 3 3 3 1
North America	237,707,089	2 1 1 1 2 2 3 3 2
Hartford	231,229,127	3 2 2 2 1 1 1 1 2
Continental	186,463,232	4 4 4 4 4 4 4 4 4
Fidelity-Phoenix	153,484,415	5 5 5 5 5 5 5 5 5
Fireman's Fund	146,692,512	6 6 6 6 6 6 6 6 6
Aetna	110,022,015	7 7 7 7 7 7 7 7 7
St. Paul F. & M.	88,234,352	8 9 10 10 10 10 10 10 10
Phoenix, Conn.	87,765,160	9 8 8 7 7 6 6 6 6
Great American	87,003,666	10 10 9 9 9 10 11 10 9
American	84,001,899	11 11 12 12 12 14 15 16 16
Firemen's	76,023,154	12 13 13 13 13 12 13 15 15
National, Conn.	71,512,704	13 13 11 11 11 9 9 8 8
Springfield F. & M.	66,277,974	14 14 15 15 15 15 12 14 13
U. S. Fire	63,067,650	15 15 14 14 14 13 14 13 14
Automobile	59,120,691	16 16 16 16 16 17 17 17 17
Travelers	53,741,114	17 17 17 17 17 16 16 18 18
General, Wash.	52,670,020	18 19 20 20 22 26 28 32 37
Glens Falls	51,824,569	19 18 19 19 19 19 26 28 29
General Exchange	51,780,502	20 25 35 38 35 29 18 12 12
Niagara	49,269,370	21 20 18 18 18 22 23 22 20
American Eagle	43,103,082	22 23 23 34 36 37 36 34 32
Boston	42,752,581	23 30 29 23 21 20 19 19 19
Swiss Reins.	42,535,681	24 21 27 26 37 36 34 38 40
Federal	41,892,642	25 24 25 22 25 25 25 24 25
Westchester	41,808,384	26 34 33 27 28 30 31 29 30
National Union	41,668,267	27 22 32 30 29 28 29 30 33
North River	39,666,348	28 28 24 21 20 22 24 23 25
Philadelphia F. & M.	39,539,309	29 27 22 25 23 23 20 25 23
Queen	39,385,671	30 26 21 25 23 23 20 25 23
Fire Association	37,841,209	31 29 26 24 24 23 20 20 24
Connecticut Fire	36,727,321	32 31 30 26 26 24 23 21 21
Hanover	36,260,454	33 33 31 29 30 34 33 36 38
Providence Wash.	35,276,155	34 35 39 37 39 40 40 40 42
Royal	34,742,743	35 32 28 28 27 27 27 27 26
Service Fire	32,143,868	36 43 63 34 32 30 33 31 31
L. & L. & G.	30,464,097	37 36 34 35 34 32 30 33 31
Merchants, N. Y.	28,436,023	38 39 38 32 33 35 38 37 35
New Hampshire	26,667,683	39 40 40 40 38 38 37 35 34
Fidelity & Guaranty	26,386,206	40 46 49 54 54 54 56 59 66
Northwestern Natl.	26,301,114	41 41 41 41 40 39 39 39 43
Camden	24,836,863	42 44 46 47 46 46 46 46 46
Commercial Union	23,976,609	43 44 45 44 42 42 44 45 47
Calvert Fire	23,546,281	44 63 39 43 56 59 57 58 55
American Equitable	23,025,130	45 47 43 39 43 43 41 41 41
Pennsylvania Fire	23,020,688	46 48 47 45 44 44 47 47 48
Security, Conn.	22,357,815	47 49 46 43 45 44 47 47 48
Agricultural	21,939,922	48 45 42 42 41 41 42 42 44
Home F. & M.	21,146,452	49 51 54 53 58 60 63 68 69
Pacific National	20,531,990	50 53 51 59 56 58 57 60 60
Milwaukee Mech.	20,503,755	51 52 50 48 47 48 49 50 51
North British	20,111,604	52 49 47 45 45 45 43 43 42
Alliance, Pa.	19,416,392	53 54 52 51 52 51 51 52 51
Northern, N. Y.	19,400,274	54 55 53 50 49 48 49 50 49
North Star Reins.	18,358,410	55 56 73 55 53 52 52 53 53
Newark	17,498,950	56 57 56 55 53 52 52 53 53
Globe & Rutgers	17,129,828	57 58 55 49 50 50 50 48 47
Mercury	16,651,968	58 71 71 79 78 80 83 79 81
Old Colony	16,539,719	59 59 58 57 55 53 53 54 55
Motors	15,515,034	60 61 61 58 61 61 64 65 61
American Alliance	15,005,596	61 64 61 58 61 61 64 65 61
Pearl	14,994,893	62 60 57 52 51 49 45 44 36
Standard, N. Y.	14,951,894	63 65 66 65 64 62 61 67 77
London Assurance	14,918,320	64 62 59 60 57 55 54 55 57
N. Y. Underwriters	14,186,345	65 66 62 61 59 57 55 56 59
Republic, Texas	14,056,218	66 68 65 62 60 59 60 58 62
Northern, England	13,242,173	67 70 64 63 63 62 62 63 65
Reinsurance Corp.	13,234,244	68 67 80 66 69 78 78 78 80
Pacific	13,073,841	69 73 69 68 66 65 66 64 63
Amer. & Foreign	13,011,530	70 75 72 70 72 72 77 74 80
Emmco	12,909,234	71 69 70 71 68 70 68 71 75
Sun	12,880,699	72 69 70 71 68 70 68 71 75
Employers Fire	12,872,466	73 74 67 64 65 66 72 72 75
Gulf	12,508,384	74 74 67 64 65 66 72 72 75
National Reins	11,911,824	75 72 68 67 67 67 67 67 67
Standard, Conn.	11,819,695	76 76 67 67 67 67 67 67 67
Rhode Island	11,554,577	77 61 60 56 62 67 58 58 58
Potomac	11,344,906	78 78 78 78 78 78 78 78 78
Atlas	11,281,274	79 77 74 73 74 74 74 74 74
World	11,075,188	80 79 79 79 79 79 79 79 79

## NET PREMIUMS WRITTEN

Company	Net Premiums	Comparative Standing for Each Year
	Written, 1948	1947 1946 1945 1944 1943 1942 1941 1940 1939
Home	134,774,737	1 1 1 1 1 1 1 1 1
Hartford	115,436,885	2 2 2 2 2 2 2 2 2
North America	91,944,883	3 3 3 3 3 3 3 3 3
Continental	63,620,984	4 4 4 4 4 4 4 4 4
Fireman's Fund	59,339,588	5 4 5 5 5 5 5 5 5
Aetna Fire	55,276,104	6 5 4 4 4 4 4 4 4
Fidelity-Phoenix	51,702,052	7 7 8 7 8 7 7 7 7
American	47,597,454	8 8 7 8 7 9 8 10 10
General Exchange	45,881,094	9 16 27 61 64 45 33 3 4
Great American	43,233,510	10 10 9 14 11 12 9 13 14
St. Paul F. & M.	42,223,291	11 9 14 12 13 13 11 16 16
Firemen's	38,885,023	12 13 12 15 14 11 10 14 11
Automobile	35,658,588	13 11 13 13 15 15 12 11 12
National, Conn.	35,203,487	14 12 10 10 10 10 13 9 9
Springfield F. & M.	34,819,473	15 14 11 11 12 14 15 15 13
Travelers Fire	33,497,259	16 15 15 9 9 8 14 12 13
Phoenix, Conn.	28,308,463	17 18 19 18 18 18 19 19 18
General, Wash.	27,198,070	18 21 17 16 16 16 23 24 26
U. S. Fire	26,479,402	19 20 18 17 17 17 16 18 17
Swiss Reins.	25,396,916	20 17 16 19 22 24 31 38 39
Glens Falls	23,926,209	21 22 20 20 19 19 18 21 24

(CONTINUED ON PAGE 3)

## Crafts Pleads for Unity in Industry Internal Relations

Business Must Modernize  
Its Structure, Western  
Leader Tells F.U.A.P.

Addressing the annual meeting of Fire Underwriters Assn. of the Pacific at San Francisco last week, James F. Crafts, president of Fireman's Fund, made a challenging plea for "progressive and forward-looking leadership" in the business as respects both the public and internal relations.



J. F. Crafts

Internal operations if not effectively handled can impair future progress, Mr. Crafts declared. Historically there have been distinctions inherent in insurance operations by classes and in the past this has been a valuable and healthy division, but the picture has changed. The business must modernize its structure and initiate efficiencies and economies which policyholders have a right to demand. More and more companies have been constituted as groups, managements have been consolidated and multiple line operations featured. New laws have changed and extended underwriting powers and broadened contracts. Tradition in business might be a block to progress, Mr. Crafts stated, citing a bill introduced last year in New York permitting a degree of commission control. The bill had the support of all casualty interests, but those on the fire side made every effort to block passage.

### Paradox of Multiple Line Position

Regardless of the merits of the two points of view, public interest demands that the business abandon its class consciousness, he said, adding, "As the head of a multiple line organization, can I defend the position of sending an attorney to Sacramento to sponsor casualty legislation and then send another counselor to use every effort to defeat that which the first attorney was suggesting be enacted?"

Interstate rating presents another challenge. Casualty leaders for many years have used debits and credits in rating formulas and since 1928 this system has been followed in the fire business. Now the fire interests claim that such rating formulas cannot be defended and they suggest a return to a discarded system which Mr. Crafts said, in his opinion, will not be acceptable to that segment of the insuring public which has enjoyed tailor-made contracts and rating factor consideration. If these factors had not been available, he said, that segment of insureds would have placed its business with mutual companies. "How can we face American business men with a statement that that which he desires and enjoys under casualty contracts is not available to him in fire insurance business?" he asked.

Mr. Crafts stressed that the future of insurance holds no place for continued class distinction. There should be a working toward consolidation of all or-

(CONTINUED ON PAGE 17)

## Colomb Cites Big Membership Gain of F.U.A.P.

R. Lynn Colomb, assistant manager of Glens Falls and president of Fire Underwriters Assn. of the Pacific, in his address at the annual F.U.A.P. gathering last week at San Francisco, recited the accomplishments of the organization during the year and remarked that there was a membership gain of 123. This is especially noteworthy, he pointed out, since last year there was a downward trend of membership. The gain brings the total to 969 and is evidence of the vitality of F.U.A.P. endeavors.



R. Lynn Colomb

F.U.A.P. has made great strides in education and public relations during the year, and two students in F.U.A.P. classes received national honors.

### New Publicity Program

The organization is taking steps to publicize the significance of the business to the economy of the west, Mr. Colomb said, and recently invited financial editors of the daily papers in San Francisco to a luncheon at which the history of F.U.A.P. was outlined and its functions described. Emphasis was placed on its educational activities for the good of the business and the welfare of the public, and Mr. Colomb reported that the editors have indicated that their columns will be open to the industry in the future.

The educational program of F.U.A.P. deserves publicity, Mr. Colomb declared, adding that the insurance library of San Francisco and the extension course at the University of California offer insurance employees training at low cost and they will receive dividends in the long run. During 1948 there were 886 students enrolled in insurance classes.

This sort of activity should be publicized not only to employees, but to the public so that those interested in the business will understand that they can obtain an excellent future through training within the industry.

### Adair Gives Loss Suggestions

Adjusters handle "nickel and dime" losses as an accommodation line for the companies, and would welcome an arrangement whereunder agents could be given authority to take charge for small claims, John Dale Adair, loss manager for Great American at Los Angeles, said in his talk at the F.U.A.P. meeting. Such a move would be a forward step in public relations, he added, because it would allow the producer to deliver his product to the customer.

The special agent can take the lead in making such arrangements and would get credit from the agent for creating a smooth operation, along with appreciation from the company loss department for getting the agent to send in proper papers. The adjuster who is relieved of small losses, which often are thrown at him indiscriminately, will be able to render better service on major claims, Mr. Adair asserted.

### Agent Will Benefit With Public

Mr. Adair pointed out that the public recognizes the agent as a professional man rendering advice and counsel, and only remotely connects him with the insurance company. The adjuster is the one who is regarded as a direct company representative and plays a vital part in public relations. If the agent can assume the dual role of producer and adjuster on occasion, he can build good will for the industry and for his own business.

The convention was preceded by the annual Blue Goose party which this year was made more spectacular by the

presentation of the "Sansome Street Scandals of 1949." The entertainment featured a cast of 70. E. W. Trenbath, most loyal grand gander, was honored guest. There was a full flock of goslings on hand for initiation.

## Multiple Line Bills are Making Progress This Year

A full multiple line underwriting bill has been signed by the governor of New Hampshire. The all-important New York multiple line bill is now in the hands of the governor. Such a measure has passed the house in Maine and is up for passage in the senate. A multiple line bill has been introduced in Delaware.

A public hearing on a multiple-line bill now in the insurance committee of the Pennsylvania house has been scheduled for March 23. Organized mutuals which bitterly fought the proposal two years ago met recently to discuss this matter and after a lengthy debate decided to take no official stand on the issue.

That leaves only individual mutuals opposed to the bill, plus some smaller companies not prepared to expand into additional fields and fearing that the wider scope given their competitors would result in business losses for them.

It is reported that Commissioner Malone favors the multi-line system as a convenience and saving for the policyholder. Two years ago, at which time Mr. Malone had just taken office, the insurance department did not take a stand on the issue. Organized agents have not yet taken an official stand; two years ago they favored the bill and are expected to do so again.

## McCarran Resolution Is Referred to Subcommittee

WASHINGTON—The Senate committee on judiciary at its meeting Monday, following discussion, decided to refer the McCarran resolution for investigation of the life insurance industry to a five-man subcommittee. Senator McCarran was authorized to name the subcommittee.

The subcommittee will consider the resolution, hold hearings and determine what disposition should be made of the resolution.

## Toledo Program Perfected

The program has been completed for the educational conference sponsored by Toledo Assn. of Insurance Agents, Ohio Assn. of Insurance Agents, and University of Toledo March 22. Speakers include Ray H. Miller, Hamilton, manager Ohio Motor Vehicle Assigned Risk Plan, on "Is State Fund Compulsory Auto Insurance Likely?"; George H. Lasch, Cleveland manager of Bankers Indemnity on "How and Why Liability Insurance Functions"; Prof. Robert I. Mehr, University of Illinois, on "Let's Close the Gaps"; and Theodore M. Gray, executive secretary of Ohio Assn. of Insurance Agents, on legislation.

Superintendent Robinson will be principal speaker at the banquet. Donald C. Jackson is general chairman.

## Gianola in Cal. Field

M. H. Gianola has been named special agent in the San Francisco area for America Fore. He has been an examiner in the Pacific department.

E. W. Trendath, most loyal grand gander of Blue Goose has completed a trip to California and Arizona. Following a meeting with the Arizona pond at Phoenix, he was speaker at the newly organized Fresno-San Joaquin pond and was guest of the California and San Francisco ponds.

There were 234 at the March meeting of Ohio Blue Goose at Cleveland at which the speaker was J. Ray Hull, grand supervisor. Twenty-six new members were initiated.

## W. L. Hays and Friends at Orlando

Fuller Warren, governor of Florida (right), and Walter L. Hays, president of Florida State Chamber of Commerce and president of American Fire & Casualty of Orlando, greet President Truman on his arrival at Orlando.



## Honor Fred L. Shirer

More than 30 friends and associates of Fred L. Shirer, retired West Virginia state agent of Springfield F. & M., gathered last week at Wheeling to do him honor. The group included persons from six states.

Mr. Shirer was presented a sheaf of congratulatory messages from all over the country, a combination radio and record player, four albums of records, a purchase order for \$75 worth of records, a scroll of those present, and a eulogy by O. F. Gibbs, state agent of Atlas at Cleveland, a long-time friend of Mr. Shirer.

Mr. Shirer has been in the West Virginia field for 42 years.

Cosgrove & Co., brokerage firm of San Francisco, has moved to new and enlarged quarters on Sansome street.

## Roane Adjustment Changes

The John Roane adjustment firm of Baltimore has named Arthur J. Travers in charge at Dover, Del. Mr. Travers has had 15 years' experience in the claim department of Travelers and six years with Manufacturers Casualty and Manufacturers Fire.

Roane Adjustment has opened a new office at Beckley, W. Va., in the Realty building with Dan S. Williamson, Jr. in charge. Mr. Williamson started with Liberty Mutual 15 years ago and subsequently has been with Manufacturers Casualty, Colonial Mutual Casualty and Massachusetts Bonding.

Perry Franson has joined Atlantic Mutual at Seattle with general supervision of fire operations in the northwest. Mr. Franson has been with the Cecil B. DeMille General Agency.

## Ranking of Top 80 Companies

(CONTINUED FROM PAGE 1)

Company	Net Premiums Written, 1948	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939
Service Fire	23,656,433	22	23	49	...	...	...	...	...	...	...
Providence Wash.	22,397,484	23	25	30	27	31	30	28	31	34	32
Niagara Fire	21,670,394	24	27	26	39	39	37	41	40	45	42
National Union	21,591,897	25	19	23	23	21	20	26	20	21	22
Hanover	20,475,040	26	29	29	28	30	28	29	30	31	34
Fire Association	20,036,973	27	26	25	25	25	23	22	17	17	19
Calvert Fire	19,590,674	28	44	65	...	...	...	...	...	...	...
Queen	18,646,487	29	24	22	22	23	25	21	27	27	25
Westchester	17,800,182	30	33	40	29	27	26	25	26	28	27
Boston	17,507,421	31	35	45	43	40	41	37	42	42	39
Connecticut Fire	17,082,693	32	32	38	37	36	35	34	36	37	35
Fidelity & Guaranty	16,468,932	33	40	41	32	38	36	42	39	41	40
Royal	16,434,754	34	28	21	21	20	21	17	23	22	20
American Eagle	16,160,455	35	38	34	52	53	57	54	66	69	63
North River	16,043,008	36	36	37	33	28	27	27	28	32	30
Federal	15,156,147	37	41	47	44	41	40	30	35	38	45
Camden Fire	14,105,182	38	24	35	31	37	38	40	37	36	28
New Hampshire	13,563,067	39	43	42	42	42	44	52	46	44	44
Commercial Union	13,560,973	40	39	43	33	35	32	24	32	30	33
Philadelphia F. & M.	13,470,509	41	45	28	...	...	...	...	...	...	...
American Equitable	12,492,728	42	47	31	26	26	43	56	56	51	42
Motors	12,373,700	43	64	...	...	...	...	...	...	...	...
Milwaukee Mech.	12,313,591	44	49	48	45	44	42	45	52	49	52
Security Conn.	12,020,342	45	48	44	41	43	39	38	44	53	52
L. & L. G.	11,536,500	46	30	24	24	24	22	20	25	25	21
North Star Reins.	11,324,700	47	46	64	80	...	...	...	...	...	...
Northern, N. Y.	11,253,752	48	56	52	49	47	46	48	45	43	38
Home F. & M.	11,126,173	49	52	54	48	56	60	59	69	70	65
Alliance, Pa.	10,613,813	50	51	46	89	71	69	65	81	81	78
Pennsylvania Fire	10,308,841	51	53	50	47	50	48	60	61	59	48
Mercury	10,249,213	52	57	65	70	75	...	...	...	...	...
Emmeo	10,223,835	53	58	...	...	...	...	...	...	...	...
Agricultural	10,220,111	54	42	32	34	32	34	32	29	29	31
Northwestern Natl.	10,138,176	55	55	51	50	49	47	50	49	46	47
Pacific National	9,932,322	56	59	61	53	48	63	68	67	48	37
Merchants, N. Y.	9,312,661	57	62	60	59	59	56	51	60	67	54
Standard, N. Y.	9,258,802	58	54	55	60	55	55	43	64	56	...
Resolute Fire	9,001,814	59	79	...	...	...	...	...	...	...	...
North British	8,840,956	60	50	36	35	33	33	36	34	35	29
Newark Fire	8,330,797	61	61	59	57	60	70	61	79	76	72
American Auto	8,290,791	62	...	...	...	...	...	...	...	...	...
Employers Fire	8,215,581	63	66	58	51	52	52	72	70	71	69
Gulf	7,855,798	64	80	75	72	76	75	...	...	...	...
Northern, England	7,618,154	65	63	53	46	45	51	47	51	58	55
Old Colony	7,503,180	66	74	78	...	...	...	...	...	...	...
London Assurance	7,479,805	67	67	66	55	57	53	39	47	47	52
Globe & Rutgers	7,325,371	68	63	62	64	61	67	53	54	64	58
Sun	7,305,993	69	60	57	54	51	54	44	50	55	60
American Alliance	7,209,116	70	72	...	...	...	...	...	...	...	...
Pacific Fire	7,134,446	71	70	74	67	69	65	70	55	50	49
Franklin*	6,560,015	72	31	33	30	29	29	25	22	23	23
Pearl	6,442,616	73	69	79	71	68	74	85	...	...	...
Standard Marine	6,407,545	74	68	...	...	...	...	...	...	...	...
Amer. & Foreign	6,387,694	75	...	...	...	...	...	...	...	...	...
Atlas	6,315,680	76	73	67	65	65	64	67	73	73	67
Bankers & Shippers	6,267,275	77	74	...	...	...	...	...	...	...	...
Scottish Union	6,029,902	78	71	70	68	73	78	84	80	78	74
American Central	5,962,843	79	76	80	...	...	...	...	...	...	...
Republic, Texas	5,889,713	80	...	...	...	...	...	...	...	...	...

\*Operated five months in 1948.



# Most Auto Finance Business Now on "Retrospective"

## Contracts Adjust with Loss Ratio, Some Automatically

NEW YORK—Most of the financed automobile business taken today by insurers not in finance company control is written on a plan under which the commission portion of the premium is adjusted up or down with the loss ratio. The plan may provide for automatic adjustment, with an accounting at year end; or the contract may call for a flat commission and be subject to renegotiation every six or 12 months to reflect the experience.

"Commission adjustment" more accurately describes the plan than "retrospective," "profit sharing" and "contingent," which it also is called. The plan seems to be fairly similar, company to company. Although it seems to have been in existence for years, its use has spread widely since the finance business went sour and the flood of premiums forced the fire companies to take a tough attitude toward unsatisfactory risks. Now, however, observers are wondering if the plan will survive in face of the increased competition expected on the line with improved auto physical damage experience.

The plan does not involve bank-and-agent type finance business but the master policy-certificates type written through an agency that actually is the finance company.

Some companies have not gone to the automatic adjustment style of contract but negotiate a new commission every six months or so, if the loss ratio is fluctuating. The effect is the same. One form provides for a flat percentage to the insurer for home office expense and profit, 20% say. The commission to the finance company then depends on its loss ratio, earned premiums to incurred losses. If this is 80%, the finance company gets no commission. As the ratio goes down, the commission increases. Contracts vary, but one might provide that when the loss ratio reaches 50%, any improvement that brings it below that figure would be shared in by insurer and finance company, on a one-half to one basis, for example. Thus, if the loss ratio was 49, down one point, the insurer's return would be 20.5, and the commission would be 30.5.

## Responsibility on Finance Company

The effect has been to put responsibility for watching repair costs, expense, and underwriting on the finance company, and there have been efficacious results. Some finance companies have even placed their own loss men on the account. (This involves one danger, that in the settlement of losses the finance company would tend to be too stringent; though this is not known to have happened.)

If the loss ratio goes over 80% insurer will either cancel, or, if it is a good account, pick up the loss on the following year's business.

The experience figures on automobile physical damage for 1948 now are coming out and are very good. On the companies controlled by finance companies, like Motors, Service Fire, Calvert, etc., the margin is 20 to 30 points. These companies, incidentally, still write the bulk of the business.

Consequently, the insurers writing this class are looking forward to more com-

# Utah Maintains Status Quo on Supervision Setup

SALT LAKE CITY—The recommendation of Gov. Lee of Utah that the insurance division of the department of business regulation be operated as an independent agency was ignored by the lower house of the state legislature, which has now adjourned. Four bills incorporating the governor's program were passed in the senate but were permitted to die by the sifting committee of the house.

Rumor has it that the reason for the sifting committee's action was that the Democrat-controlled house (Gov. Lee being a Republican) would not consent to passage of the measures until the governor agreed in advance to the appointment of a Democrat for insurance commissioner. It is reliably reported that the governor was perfectly willing to do just that, provided the one named was competent and had the endorsement of the industry. The name submitted did not meet with the approval of fire and casualty representatives. The situation is now exactly as it was before the governor made his recommendation. The business regulation commission, comprising two Republicans and one Democrat will meet shortly and organize. Hal S. Bennett of Salt Lake was appointed commissioner ex-officio to succeed Commissioner Carlson. If precedent is followed Mr. Bennett will be named by his colleagues for the position he now holds, with the appointment of a deputy to carry on the duties of the office.

Among the insurance measures passed was a new workmen's compensation law increasing benefit payments.

The countersignature and nonresident agents law was amended. The license fee takes a big drop from \$100 to \$2, and the surety bond required of a nonresident shall be in the penalty of \$1,000 instead of \$2,000 as in the past.

There is a retaliatory provision that if an agent in another state is required to retain a specified portion of the commission for countersignature, then Utah agents must retain a like amount when countersigning policies for agents from such other states.

petition. Yet, the retrospective plan will, they believe, have a tendency to stabilize the business, compared with the old days when, on a flat commission base with insurers bidding for the volume and taking their chances, accounts did a lot of switching from insurer to insurer. This, in spite of the fact that finance companies and auto dealers are probably as anxious as anybody to make a penny, and are used to thinking of a point or two on a large volume as real income, which of course it is.

One of these "retrospective" contracts has in it a provision that in case the finance company cancels the contract, the commission to the finance company ceases at that moment; it does not participate in any earnings from the runoff of the business. These could be substantial if there were, say \$100,000 of unearned premiums, and the commission is 25%.

The retrospective plan bears a great deal of similarity to the sliding scale commission plan that has grown up in recent years in the fire reinsurance business, and rose from the same situation—a bad loss experience plus a premium-glutted market.

One development of bad experience plus too much business in the auto finance field has been that the business is spread around more than it used to be. At one time two or three of the big fire groups had a lot of the "free market" premiums in this field. That isn't so true now. Some of the smaller companies have more, some of the larger companies have less.

# Bank Insurance Buyers Hear Roth and Jackson

NEW YORK—The Savings Banks Insurance Forum here at its March meeting heard Charles G. Roth, attorney in charge of contract bonds of National Surety, discuss "Safeguarding Mortgage Loan Investments" and Frederick W. Jackson, assistant to the manager of group casualty coverages of Equitable Society, on compulsory disability legislation.

George Slayback, Brooklyn Savings Bank, secretary, presided. C. J. Kipp, Lincoln Savings Bank, bid the members goodbye. He is leaving his post as insurance department manager to enter another phase of banking with the same institution. Girard Pinggara, his successor, was introduced.

## Third Round on Inflation

The discussion brought out that five of those at the meeting have medical reimbursement in their comprehensive general policies; the group is concerned about fire legal liability protection, and they would like to have automatic reinstatement of fire insurance up to \$1,000 instead of the present \$100 because of the troublesome number of claims in that bracket, which increases expense. Mr. Slayback said that his bank has issued a pamphlet on coinsurance to mortgagors because replacement costs have not gone down and many are still underinsured. This will represent the third campaign to get coverage up.

L. E. Falls, secretary Insurance Institute, will be one of the feature speakers at the Syracuse, N. Y., conference of the forum in April. At the April 14 meeting here Joseph P. Croft, attorney of Utica Mutual, will discuss the most recent New York workmen's compensation law changes.

The mortgage market has been highly competitive, Mr. Roth pointed out. Oversupply of investment funds, heavy demand for residences, and scarce materials have resulted in an inflated market. These factors forebode trouble for the mortgagee, and many fear another real estate depression is ahead.

## Bonds to Eliminate Problem

The law provides certain safeguards, he pointed out. But there are hazards beyond them, and he suggested that one way to eliminate jerry buildings would be for owners and lenders to insist on contractors posting bonds guaranteeing completion, in accord with plans and specifications. The prequalification screening procedures of the sureties would weed out most of the jerry builders and potential jerry builders.

Government insurance of mortgages may have induced liberalization in lending procedures, he said. There may be tremendous claims against the government.

He recommended bid and performance bonds to run in favor of the lender. His talk made such a strong impression that it will be distributed to all savings banks in the state.

## Employer's Liability Form

The New York disability benefits plan, Mr. Jackson said, will be of the employer's liability type, tied in with workmen's compensation. The Rhode Island monopolistic plan virtually has eliminated group business in that state and has severely restricted other forms of supplementary plans. It has also proved somewhat subject to political pressure.

A weakness in the California law, he said, is selection against the state fund. If the fund collects too much money, benefits would be increased, bringing private insurers to increase them; if it collect too little, the rate has to go up, insurers become more selective, necessarily. Either way the pressure is on private plans.

The New Jersey law is the best yet.

# ECA Turns Down McCarran on Marine Cover Plea

## Insurance Interests Pursue Legislative Remedy—Several Courses Explored

WASHINGTON—Economic Cooperation Administrator Hoffman has turned down the demand of American marine insurance interests, backed by Senator McCarran, chairman of the ECA "watchdog" committee of Congress, for greater participation of the American marine market in coverage of ECA-financed exports. American marine interests have renewed efforts to secure reversal of the ECA policy.

In answer to McCarran's letter serving notice that he would seek legislation to bring about the results desired, Hoffman wrote voicing the belief ECA should not go any further than it has gone in its recently modified policy with respect to marine insurance. He declared that ECA should not "require insurance with American companies on a specified percentage of cargoes or any similar formula."

"I would be most unwilling by administrative action," Hoffman wrote, "to single out American insurance interests from other American suppliers of goods and services and place them in a preferred class. ECA should see to it that its policies do not result in unjust discrimination against particular classes of suppliers, and particularly in such discrimination as against American suppliers generally. I believe that the Feb. 23 (ECA) decision on marine insurance meets these standards and is a proper one."

## Activity Is Renewed

Release of the Hoffman letter was followed by renewed activity here in behalf of American marine insurance interests. Attorney Lacques representing New York marine interests, and Judge Smithfield, representing Texas marine insurance and cotton interests, have been working on the problem presented by Hoffman's decision.

Legislation to require better recognition of American marine interests could be attempted in one of two or three directions. An amendment could be offered in the Senate to the ECA bill recommended by the Senate committee on foreign relations to authorize \$5 billion for ECA for the period ending June 30, 1950. Or amendment might be attempted of HR 1340, recently recommended by the House merchant marine committee, "to provide for U. S. flag shipping participation in government-financed cargoes." Or a special provision may be attempted in the bill to follow ECA authorization, which would require or forbid ECA funds to be expended in a certain manner.

The ECA bill contains a provision instructing ECA to provide that, wherever practical, at least 50% of all purchases from the U. S. shall be shipped in American flag vessels if they are available at market rates for such vessels. This provision is tighter than that in existing law, which provides for half of ECA-financed shipments to be made in American vessels when the latter are available at "market rates." This provision has been interpreted by ECA to

(CONTINUED ON PAGE 10)

It follows the California legislation but eliminates selection against the state by joint employer-employee contribution, merit rating, and a tax rate geared to experience.

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## INSURANCE "AD" MEN GATHER

## Emotional Appeal Needed to Fix Faith in U. S. Gospel

By RALPH E. RICHMAN

NEW YORK—Dr. Henry C. Link, vice-president of Psychological Corp., doubts that business leaders are using the right formula in seeking to sell what has made the U. S. supreme in production and freedom. Psychological Corp. serves several of the giant corporations. Based on his experience working with these, Dr. Link, at the spring meeting of Insurance Advertising Conference here Monday, gave part of his own answer on the best ways of doing the number one selling job of today — selling America and what makes it great.

The chief malady afflicting those who are trying to teach American citizens is the false belief that telling the facts surrounding a problem will, of itself, create the solution for it. When profits are questioned, business hopes to meet criticism by telling facts. It isn't necessarily so, says Dr. Link. Many said that sex education was the answer to sex delinquencies. Never was there such widespread knowledge of sexual facts, and never was there so much juvenile delinquency and divorce. Facts without any emotional appeal fail. The correct

technique is not preaching to employees, but letting them preach to themselves.

Eighty per cent of the employees of General Motors wrote essays on "Why Do I Like My Job?" Many valuable prizes were given for the best essays. Never was there so much family discussion in General Motors employees' homes on the positive values to be found in their jobs. "What Fact in This Report Is Most Interesting to Me and Why?" That is a good question to ask employees when distributing the annual report of the company, and companies can well afford to offer a reward for the best replies showing thoughtfulness and understanding. Very often, employers will learn more from this process than will employees.

Too much reading matter distributed to the public and to employees is neither readable nor understandable, except to the 20% top-educated group, says Dr. Link. The average executive has great difficulty talking understandably to his employees. The real problem of many is to shrink vocabularies so that they can write for 80% of the population instead of building vocabularies to be used on the minority.

Both Dr. Link and George Laughlin Miller, vice-president, Burrow, Kitchen & McCormick, advertising agency, emphasized that never in the known history of man has there been such a dynamic age affecting both physical and mental motion. Facts, good last or a few months ago as a basis for selling, are completely unreliable. Facts of today must be discovered.

## Emotional Appeal of Religion

Those who want to sell the American way of life will not succeed by pointing to the material benefits of it and to a high standard of living. That is a result, not a source or cause. What must be sold, he said, was that America's greatness springs from a religious concept of the dignity of each individual. Without the emotional appeal of religion attached to moral precepts, the battle for a free America will not be won, according to Dr. Link.

The keynote address of Dr. Link fitted in well with the emphasis on public service advertising in the discussion of A. Bruce Bielaski, assistant general manager of the National Board, and in the film "Public Service Advertising—Advertising's New Dimension". The millions of dollars being spent by the giant corporations to make a contribution of good citizenship is a most effective form of building public confidence and good will. Testimony is now overwhelming from advertising managers of companies like General Mills, Crown Oil, General Electric that messages genuinely helpful to people in guiding their lives to good health and safety bring dollars into the cash register.

## Dissect Insurance Advertising

Ronald Jarvis, advertising manager, Spectator, presided at a session on "What's Good or Bad in Insurance Advertising". Warren W. Rareside, secretary, Daniel J. Walsh's Sons, Philadelphia; Andrew L. Hanigan, special agent, Ohio Farmers, Philadelphia, and E. E. Sterns, assistant manager, publicity department, Travelers, were discussion leaders. Mr. Rareside said that the best advertisement was to see a man face-to-face when the loss occurred, help him handle it and deliver the loss payment in person. Mr. Hanigan warned field men that in the coming competitive days, personal effort, alone, cannot maintain the special agent's position, and he would need the wise use of advertising and mailing material. Mr. Sterns told of demonstrations that combined use of printer's material with personal calls on selected prospects brought far greater returns than either one done separately.

Mr. Miller, at the luncheon, offered a blueprint for the construction of effective advertising copy. Robert L. Bliss, director of publicity, National Assn. of Insurance Agents, said insurance advertising emphasizing the services of insurance, those built around the family and homes, those using humor and those carrying out a personal, friendly note, appealed to him. His view is that too much insurance advertising is cluttered up with too many old logotypes, set-outs and complicated layouts. Simple layouts and pleasant type faces, he likes.

Mr. Bliss said that Grant Research Organization examining advertisements in the "American Agency Bulletin" had reported page ads got about 2½ times the attention of the smaller spaces. Cartoon ads got flash attention, but very often were not too lastingly effective.

Both Mr. Bliss and Ralph C. Blatchford, advertising manager, Employer's group, whose paper was read, suggested more gathering of opinions from mem-

bers of the conference itself on methods which had been found to be the most successful, and on procedures for current use in advertising departments. Mr. Blatchford also suggested that the conference become better acquainted with the actual processes and achievements of insurance journals. The conference will take a poll of its members to decide whether it will devote a part of the next session to a discussion of the proposals.

Joseph C. Gernhardt, president, introduced the program chairman Dwight P. Ely, production manager, Ohio Farmers, Columbus. Other members of the program committee were Ronald Jarvis, Jr., and R. E. Brown, Jr.

## Cal. Agents Disciplined

LOS ANGELES—Elbert Voorhees has pleaded guilty in El Monte justice court to four counts of soliciting insurance without a license, was fined \$100, ordered not to engage in insurance work in the future, and was given one year probation. He is to be examined by a psychiatrist and is to make restitution of money obtained.

Walter L. Schachner has had his license suspended for three months by Commissioner Downey for sending out unlicensed persons to solicit business.

Arthur E. Felix, Jr., whose life and general agents licenses were revoked in December, has been certified to the city attorney of Los Angeles for prosecution for violation of the law relating to diversion or misappropriation of fiduciary funds.

## McDonough in New Post

Thomas V. Humphreys, Inc., has moved its San Francisco office to 519 California street, and has appointed George H. McDonough as manager there. Mr. McDonough was with the Hartford group, then Phoenix Indemnity, later a general agent at Honolulu, and more recently has been associate manager for Preferred Accident at San Francisco.

## Correct Highway Mutual Assets

Assets of Highway Mutual Casualty of Chicago were incorrectly shown in the March 10 issue as \$127,093, when in reality that company has assets of \$1,217,093 and in 1948 assets were increased by \$213,012.

## Now FOR RENT OFFICE SPACE

UNITS  
300 Sq. Ft. to 5000 Sq. Ft.

REASONABLE RENTALS  
IN

174 W. Jackson  
Blvd. Bldg.

Chicago

Heart of  
Insurance District

Arthur Rubloff & Co.

100 W. Monroe St. Chicago 3, Ill.  
AN 3-5400



WHICH one to choose? The insurance agent often faces this question.

The right selection should always be determined by **quality**. In selling insurance protection, you know that long-range customer satisfaction depends on **quality**.

To furnish the utmost in **QUALITY**—that is the aim of the Saint Paul Companies.

Members American Foreign Insurance Association,  
offering world-wide insurance facilities.

**St. Paul Fire and Marine  
Insurance Company  
Mercury Insurance Company  
Saint Paul-Mercury  
Indemnity Company**



EASTERN DEPT.  
75 Maiden Lane  
New York 7, N.Y.

HOME OFFICE  
111 W. Fifth St.  
St. Paul 2, Minn.

PACIFIC DEPT.  
Mills Building  
San Francisco 4



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During the month of March  
this advertisement in the  
national magazines together  
with related tie-in advertising  
material will help America  
Fore Agents sell the 3D Policy.



## Have You Guarded Against Them?

Dishonesty of employees, burglary, robbery, and forgery are ever-present risks to which all business concerns are exposed. But what about disappearance, possibly with no trace or evidence? What about destruction by accident or design? These, too, can result in heavy loss!

For complete protection against losses of money and securities handled in the conduct of your business, you need our 3 D Policy which covers these 6 major business hazards:

- 1—Loss by employee's dishonesty.
- 2—Loss of money and securities within premises through burglary.
- 3—Disappearance or destruction (including fire, flood, explosion).
- 4—Loss of money and securities outside premises.
- 5—Loss by forgery of outgoing instruments.
- 6—Loss of securities from safe-deposit box.

For burglary: Open stock burglary insurance may be added by endorsement.  
Contact an America Fore agent today and let him give you full details.

For the name of a nearby America Fore Agent, call Western Union by number and ask for Operator 25.

THESE FIVE COMPANIES COMPOSE THE AMERICA FORE INSURANCE GROUP  
CONTINENTAL • FIDELITY-PHENIX • NIAGARA • AMERICAN EAGLE  
FIDELITY AND CASUALTY COMPANY OF NEW YORK  
BERNARD M. CULVER Chairman  
FRANK A. CHRISTENSEN President

**America Fore**  
INSURANCE GROUP

APPEARING IN

• LIFE

• THE SATURDAY EVENING POST

• TIME

• NEWSWEEK

• PATHFINDER

# FOR 84 YEARS

★ An outstanding record for prompt payment of all just claims.

★ Close cooperation with all Reliable agents.

★ Steady development based on sound business methods.

**RELIABLE FIRE  
INSURANCE CO.**  
DAYTON, OHIO

## Fire Premiums in N. Y. Up 6% in '48

Fire insurance premiums of \$61,333,761 or an increase of 6% were reported to the New York Board in Manhattan, the Bronx, and Brooklyn, in 1948 for assessment for support of the New York fire patrol. Additionally, the premiums of Long Island City and American Dock Stores and Piers on which a general assessment tax is made, aggregated \$2,606,804.

The 1948 premiums of stock companies were \$56,640,454, increase \$1,758,758. Mutual companies wrote \$4,827,750, increase \$27,204. Other types of insurers had \$422,438.

The 1948 premiums of Home were \$6,907,921. This company no longer is in a group setup. The 1948 and 1947 premiums of the groups were:

	1948	1947
Royal-Liverpool	3,596,771	3,420,546
America Fore	3,567,654	2,388,096
Great American	3,424,107	2,846,627
Loyalty	2,896,039	2,347,801
Aetna Fire	2,512,867	2,750,751
Hartford	2,509,100	1,998,451
Corroon & Reynolds	2,223,142	1,764,563
Crum & Forster	1,931,829	1,793,440
Phoenix of Hartford	1,653,182	1,406,299
Commercial Union	1,297,472	1,179,872
North British	1,263,171	1,342,958
St. Paul	1,167,893	792,780
Automobile	1,049,095	909,657
Fire Assn.	1,040,687	1,069,131
Fireman's Fund	987,794	830,543
North America	981,096	851,260
Scottish Union	769,127	654,935
London & Lancashire	720,260	665,930
Springfield	712,511	696,887
National	697,645	981,910
Chubb & Son	664,397	487,080
Phoenix of London	631,461	655,970
Hanover	619,175	545,345
American	602,198	592,106
National Union	598,639	629,136
Meserole	537,302	564,810
Atlas	515,531	488,329
Northern of London	494,081	445,873
Sun	488,837	556,788
Travelers	482,206	506,458
Boston	408,664	330,712
Caledonian	380,961	526,169
Glen Falls	376,773	343,456
Merchants	316,831	259,241
New Hampshire	302,512	206,579
London	262,112	282,144
Century	252,913	178,047
Royal Exchange	249,284	234,324
Agricultural	242,160	375,195
Globe & Rutgers	239,392	160,613
Norwich Union	237,139	283,464
Security	204,078	157,914
Northern, N. Y.	195,320	141,509
General Seattle	192,514	137,550
Yorkshire	163,304	143,615
Pearl	133,698	438,641
Providence		
Washington	107,105	356,155

## Independent Adjusters Create Educational Body

At a meeting at Chicago of the executive committee of the National Assn. of Independent Insurance Adjusters, an educational committee was created to digest, collate, and screen information and education material for members. The exact method of procedure is not yet determined, but membership in the committee will be fixed along geographic lines. The idea is to not only keep tab on material that will be of assistance in training new men, but also to aid veteran adjusters in keeping themselves informed.

## Closer Utah Regulation

The Utah legislature, now adjourned, enacted a bill providing for finance companies to write automobile material damage policies on cars they are financing until July 1, 1951. A similar law has been in effect for the past two years and a number of finance companies have developed what are tantamount to insurance companies. The new law specifies the reserves that must be set up.

R. E. Wertenberger has succeeded his late father, George E. Wertenberger, in the W. C. Myers & Co. agency at Wooner, O. The agency is now owned by R. E. Wertenberger and Ivan Steiner, Jr., as partners. It will continue under the old name.

Insurance Women's Club of Detroit at the annual meeting elected Beulah Knorr as president for 1949-1950, with Theodell Colbert, first vice-president and Myrtle Halsig, second vice-president. Marie Kamberg is secretary and Rose Lucas is treasurer.

## Superlative Record for Two Hartfords

Very handsome results are reported in the annual statements of Hartford Fire and Hartford Accident.

The fire company produced an underwriting profit of \$8,404,045 and there was an increase of \$4,675,735 in surplus funds.

The Hartford Accident underwriting profit was \$7,498,849 and surplus increase \$5,587,732.

Assets of Hartford Fire increased \$22,770,306. President C. S. Kremer remarked that during 1948 written premiums continued to increase but not at the rate that prevailed during 1947. For example written premiums increased 50% in January, 1947, as compared with those written in January of 1946. But in January, 1948, the increase over the premiums of the preceding January was about 24% and the rate of increase continued to fall during the year.

Written premiums were \$115,436,883, an increase of 14%.

The ratio of losses paid to premiums written was 39.9 compared with 40.1 the year before. On an incurred basis, the ratio was 44.8 as against 53.9 in 1947.

The ratio of expenses incurred to premiums earned is 44 and the loss expense 2.9% of earned premiums.

Premiums written of Hartford Accident were \$109,103,097, an increase of 20.62%.

The ratio of expenses incurred to premiums written was 42.24 and the ratio to premiums earned was 44.84. The ratio of losses incurred to premiums earned was 47.86 as against 53.24, the previous year.

## Davis Says Mild Recession Would Bolster Companies

Shelby Cullom Davis, New York Stock Exchange specialist in insurance stock, told San Francisco Society of Security Analysts that a recession which is not a bust would help companies recover from the past few years when the fire and casualty companies "picked up the check" for inflation. He said that the industry has weathered the greatest crisis in 40 years with flying colors through fire and accident prevention education and the strength of the agency system.

He termed insult added to injury, following the period of catastrophe and inability to raise rates to pace fast growing commodity prices, the pincers movement on the industry by Washington bureaucrats to replace successful state control with rigid federal control.

Ray Daniels has purchased the J. M. Krewson agency at Bloomfield, Ia.

Claron S. Greenho has taken over the Earl C. Greenho agency at North Canton, O., and will operate it in his own name. Earl C. Greenho, the father, died recently.

## AGRICULTURAL AVIATION CREATES NEW DEMANDS FOR INSURANCE

**Crop Seeding  
Dusting  
Spraying  
Chemical Damage**

AGENTS AND BROKERS CONTACT  
G. DEWITT HOLCOMB, JR.

**STEWART, SMITH (ILLINOIS)  
INC.**

141 W. JACKSON BLVD.  
CHICAGO 4, ILLINOIS



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## Damage

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# UP are the costs of steel - concrete - labor ...and they'll stay up!



# UP are the replacement costs of your building, too!

TODAY a manufacturing plant costs between 40% and 70% more to replace than it did 10 or 12 years ago. If your business has had to make repairs or alterations lately, you don't need to be reminded how high construction prices have sky-rocketed.

Suppose a fire partially destroyed your plant tonight? Naturally, it's insured. But for how much? If your policies haven't been increased during

recent years—if they still merely cover 1935 or 1940 replacement values, you're taking a dangerous risk! If you aren't carrying the required amounts of insurance, your own business might have to pay part of the loss itself.

Play safe. Ask your insurance man if your business buildings are carrying insurance that would pay you in full for losses—at TODAY'S replacement costs.

Your own Agent or Broker can show you where you stand. Even if you're certain you know the answers, let him check, just to make sure. Because under-insurance is just as deadly a hazard to your pocketbook as fire itself.



Insurance Company of North America, founded 1792, oldest American stock fire and marine insurance company, heads the North America Companies which write practically all types of Fire, Marine, Automobile, Casualty and Accident insurance through your own Agent or Broker. North America Agents are listed in local Classified Telephone Directories.



INSURANCE COMPANY OF  
**NORTH AMERICA**  
COMPANIES. Philadelphia

INSURANCE COMPANY OF NORTH AMERICA • INDEMNITY INSURANCE COMPANY OF NORTH AMERICA • CENTRAL INSURANCE COMPANY OF BALTIMORE  
THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA • NATIONAL SECURITY INSURANCE COMPANY • PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY

## Fire Company 1948 Statement Figures in Tabloid

	Assets	Inc. in Assets	Reins. Res.	Inc. in Reins. Res.	Capital or Stat. Dep.	Surplus	Inc. in Surplus	Net Prems.	Losses Paid	Loss Ratio
Constitution Reinsurance	2,965,058	51,534	1,575,865	—26,053	500,000	583,199	3,336	1,458,838	699,955	48.0
Dubuque F. & M.	6,528,742	—265,461	3,486,945	—62,274	1,150,000	1,190,055	61,405	2,838,081	1,538,941	54.19
Iowa Fire	443,712	17,238	309,653	40,639	100,000	317,825	14,054	268,462	104,798	38.9
Progressive Fire, Ga.	950,086	191,168	232,492	115,494	337,080	326,080	25,437	576,572	137,610	24.0
Sequoia, Cal.	1,068,282	345,953	.....	.....	375,000	341,829	158,195	304,170	57,167	18.7
Standard Fire, N. J.	4,355,795	249,761	2,473,247	381,669	300,000	1,023,532	—140,121	1,819,595	726,913	39.9

### Ralph Loser Becomes McCabe & Hengle Partner

Ralph H. Loser who has been in the insurance agency business at Chicago about 25 years, is becoming associated with the long-established metropolitan supervising agency there of McCabe & Hengle as a partner.

Mr. Loser's entire business and insurance experience has been as an associate of James M. Newburger in Newburger & Co. This agency, until 1934, operated as an independent office but since then it has been associated with John Naghten & Co.

Mr. Newburger under this arrangement will also be located in the McCabe & Hengle office. He is a highly respected old timer. He started in 1888 with Lancashire Ins. Co. at Chicago, and then was with the agency of Adolph

Loeb & Son. He started his own class 1 agency in 1901. He served as president of Illinois Assn. of Insurance Agents in 1927, he is former vice-president of Chicago board and is a charter member of that organization. He first served on the patrol committee of the board commencing in 1924 and served in that capacity numerous subsequent terms and is presently a member of the committee.

The McCabe & Hengle Agency dates from 1908, being formed by Charles R. McCabe and Emery J. Hengle. John V. McCabe and Charles McCabe, sons of the founder, entered the agency in 1924, and later that year Mr. Hengle died. Charles McCabe died in 1938 and the agency has been the sole responsibility of John V. McCabe since 1944 when his brother-in-law and partner, William H. McElliot, died.

John McCabe, in his earlier days,

was with the old Chicago Fire & Marine.

### Chicago Insurance Day Set for May 5 at Palmer House

The date for Chicago Insurance Day has been set for May 5 by the committee headed by George Herrmann, III, George Hermann & Co. The meeting will be held at the Palmer House and run from 10 a.m. through luncheon and dinner. Admission to all sessions including luncheon and dinner is \$10. Tables seat 10. Reservations may be made through the Chicago Board of Underwriters.

### Hewitt to Mich. Field Post

Herbert Hewitt, Jr. has been employed by National Fire as special agent in Detroit and Wayne county under Frank Green, superintendent of that territory. He has been with Michigan Inspection Bureau at Grand Rapids for the past three years.

### Cal. Amends Accusations

LOS ANGELES — Two amended accusations have been filed against General Agencies of New York, Inc., by Frank Fullenwider of the California department. He alleges failure to keep adequate records, refusing to furnish the department with information, failing to keep any record of one certain policy, issuing cover notes, the carbon copies of which failed to constitute a readable record, that the accounts at Los Angeles are incorrect in that commissions were paid to others than those named in the records, aiding and abetting Rhode Island Ins. Co. in acts which would constitute grounds for the suspension of the license of the company; aiding and abetting a brokerage corporation in violating the insurance code by the company paying commissions to the brokerage corporation when it was not an admitted insurer or licensed in any capacity, citing nine policies specifically; that President Jack Heidelberg

made false statements under oath and also failed to obey a subpoena, but later appearing and refusing to testify.

The respondent corporation has filed two separate notices of defense, setting forth that the allegations do not set forth acts on which the department may proceed; that the department lacks jurisdiction, and asks for a hearing.

The hearing on the amended accusations is for March 21, at San Francisco, the same date set for the hearing in superior court on the Rhode Island petition for a writ of mandate against Commissioner Downey.

### \$3 Million Insurance Loss in Bronx Warehouse

NEW YORK—An insurance loss of about \$3 million is expected from a four alarm fire in the Bronx warehouse of the Electrolux Co., vacuum cleaner manufacturers. The loss far exceeded original fire department estimates of \$250,000 and was wholly unexpected as it happened in a supposedly fire resistant warehouse. A preliminary investigation indicates that polishing materials may have caused the damage. The entire building and its contents were burned to a heap of rubbish.

There was \$700,000 insurance on the building and \$2,475,000 specific on the contents. A number of companies were on the line. The New York Board committee is handling the loss and the adjuster is L. B. Pitcher.

### Adjusters Plan Convention

Plans are being arranged for the annual meeting June 23-25 of National Assn. of Independent Adjusters at Detroit. The Book-Cadillac hotel will be headquarters.

The convention will open with registration and a cocktail party June 23 and a stag dinner in the evening.

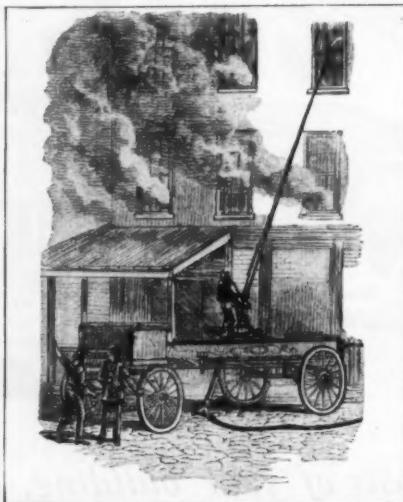
There will be entertainment for the wives and the meeting is expected to draw an exceptionally large attendance of members and company officials.

The executive committee of the adjusters met at Chicago recently to lay plans for the meeting with Ross Whitney, Whitney & Miller, Chicago, the president, in charge. Robert M. Hill of Detroit was appointed convention chairman.

effective

### protection

Some of civilization's greatest advances have been accompanied by new hazards from man's oldest enemy — fire. These perils have been met by steady improvement in the speed, power and efficiency of fire-fighting equipment — and by modern insurance service and protection. Since before the days of railroads and steamships, Caledonian agents have taken pride in the up-to-the-minute protection given to their policy holders.



### the Caledonian Insurance Company

Founded 1805

Executive Offices • Hartford, Conn.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, March 14, 1949

Aetna Casualty	3.00	82	84 1/2
Aetna Fire	1.80*	55	56 1/2
Aetna Life	2.50*	58	60
American Alliance	1.10*	24	25
American Auto	1.20	46	48
American Casualty	.80	13	14
American (N. J.)	.70	17 1/2	18 1/2
American Surety	2.50	60 1/2	62
Boston	2.40	68 1/2	70 1/2
Camden Fire	1.00	21 1/2	22 1/2
Continental Casualty	2.00	55	56 1/2
Fire Association	2.50	63	65
Fireman's Fund	2.60	81 1/2	83
Firemen's (N. J.)	.50	16 1/2	17 1/2
Glens Falls	2.00*	48 1/2	50
Globe & Republic	.50	10	11
Great Amer. Fire	1.30*	33	34 1/2
Hanover Fire	1.20	32 1/2	33 1/2
Hartford Fire	2.50*	125	127
Home (N. Y.)	1.30	29 1/2	30 1/2
Ins. Co. of North Am.	3.50*	109 1/2	111
Maryland Casualty	.50	15 1/2	16 1/2
Mass. Bonding	1.60	27	28 1/2
Merchant Fire, N. Y.	1.15*	28	29
National Casualty	1.45*	26 1/2	27 1/2
National Fire	2.00	56	58
New Amsterdam Cas.	1.20	31 1/2	32 1/2
New Hampshire	2.00	43	44 1/2
North River	1.00*	26 1/2	27 1/2
Ohio Casualty	1.00	49	50
Phoenix, Conn.	2.00*	90	92
Preferred Accident	.....	3	4
Prov. Wash.	1.40*	34 1/2	36
St. Paul F. & M.	2.25*	86 1/2	88 1/2
Security, Conn.	1.40	35 1/2	37
Springfield F. & M.	1.90	45 1/2	47
Standard Accident	1.45	35	36
Travelers	22.00*	674	684
U. S. F. & G.	2.00*	55	56 1/2
U. S. Fire	2.00	59 1/2	61 1/2

\*Includes extras

## FIRE UNDERWRITERS

There are several good openings in both companies and agencies for experienced fire underwriters. These openings are in Chicago and the mid-west. Salary is very attractive. If you're interested write,

### FERGASON PERSONNEL

330 S. Wells St., Chicago 6, Illinois

**FACTUAL APPRAISALS**

Imperial Valuations of Industrial and Commercial Property. Thirty-Eight years of factual appraisal service to America's more conservative business institutions.

**SOUND  
COMPETENT  
RESPONSIBLE**

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APPRAISAL ENGINEERS  
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**FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY**  
ORGANIZED 1855



**THE GIRARD FIRE AND MARINE INSURANCE COMPANY**  
ORGANIZED 1853



**NATIONAL-BEN FRANKLIN FIRE INSURANCE COMPANY of Pittsburgh, Pa.**  
ORGANIZED 1866



**THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE**  
ORGANIZED 1870



**MILWAUKEE MECHANICS' INSURANCE COMPANY**  
ORGANIZED 1852



**ROYAL PLATE GLASS AND GENERAL INSURANCE COMPANY OF CANADA**  
ORGANIZED 1906



**THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK**  
ORGANIZED 1874



**COMMERCIAL CASUALTY INSURANCE COMPANY**  
ORGANIZED 1909



**PITTSBURGH UNDERWRITERS • KEYSTONE UNDERWRITERS**

# LOYALTY GROUP

*Home Office:* TEN PARK PLACE, NEWARK 1, NEW JERSEY

Pacific Department: 220 Bush Street, San Francisco 6, Calif.

Western Department: 120 South La Salle Street, Chicago 3, Ill.

Southwestern Department: 912 Commerce St., Dallas 2, Tex.

Foreign Departments: 111 John Street, New York 7, New York  
206 Sansome St., San Francisco 4, Calif.

Canadian Departments: 465 Bay Street, Toronto 2, Ontario  
535 Homer Street, Vancouver, B. C.

## State of Wash. Enacts Broad Form Auto Security Bill

SEATTLE—The Washington broad form financial responsibility act passed the senate just prior to adjournment by a wide margin and was expected to be signed this week by Gov. Langlie. It goes into effect Feb. 1, 1950, giving ample time to prepare for an anticipated heavy increase in premium volume.

All those involved in accidents causing \$200 or more property damage and/or personal injury requiring medical attention must report to the director of licenses within 10 days. The latter then has 30 days to estimate the amount of damage involved. He, in turn, is required to notify all parties involved as to the amount of security which must be posted. In the event security is not posted, the person involved loses his operator's license.

Security must remain on deposit for one year, or until the director is satisfied that any judgment growing out of the accident has been paid, or settlement effected.

The requirement for posting security is waived if the party involved furnishes evidence that a liability and property damage insurance policy of at least \$10,000 bodily injury and \$1,000 property damage was in effect at the time of the accident.

An appropriation of \$75,000 from the general fund is made a part of the bill.

### Plan N. J. June Outing

Casualty Underwriters Assn. of New Jersey named Joseph Comerford, Maryland Casualty, chairman of the committee to arrange for the June outing at Essex Falls Country Club. John H. Nolan, Aetna Casualty, legislative committee chairman, reported on insurance bills. An invitation to visit the new building of Employers Liability at Orange when it opens in May was extended by Lawrence H. McDonald. Plans to present a scroll to William Haines, former manager of New Amsterdam Casualty at Newark, at a dinner meeting in April were announced by President William Sadler, Century Indemnity.

### E. C. Jasper to New Post

Firemans' Fund named Earle C. Jasper special agent in the Philadelphia and southern New Jersey field succeeding L. S. Larsen, who has been made an assistant in the fire department at Philadelphia.

### Investment Stir in N. J.

Trustees of New Jersey's \$50 million disability benefit fund are taking steps to engage professional financial advice after a wave of adverse publicity followed their purchase of \$5 million in New York state housing bonds. The announcement was made by State Treasurer Dickerson, who investigated

the purchase for the governor after the deal caused a stir in the bond market. Schwamm & Co., New York securities dealers, made a profit of \$185,000 on the transaction and turned down Dickerson's request that they return part of the profit, it is reported.

### L.M.C. Graded Dividend Plan Approved in N.Y.

In a decision written by Deputy Superintendent Walter F. Martineau, the New York department has approved a graded dividend filing by Lumbermen's Mutual, Ill., on compensation and boiler and machinery policies. The dividend will be 10% on compensation policies with an annual premium of less than \$889, and 20% on premiums exceeding \$1,000. On premiums between \$889 and \$1,000 the dividend will be on the portion of the premium above \$800.

The filing calls for a dividend of 10% on boiler and machinery premiums less than \$500, 15% on premiums between \$500 and \$1,000, and 20% on premiums above \$1,000.

Domestic mutuals will be allowed to use the same dividends if they produce like demonstration of differences in con-

## 1948 RESULTS OF MUTUAL COMPANIES

	Adm. Assets	Unearned Pmts.	Net Surplus	Net Pmts.	Net Losses Paid
Atlantic Mutual	32,798,687	7,393,306	13,565,412	13,834,272	6,142,368
Employers Mutual, Wis.	3,207,013	1,562,956	1,209,504	2,237,141	676,341
Home Mutual, Wis.	1,241,751	855,006	337,134	619,790	193,227
Minnesota Farmers	2,881,153	825,159	1,953,540	1,638,516	476,028
New Castle Mut., Del.	792,682	130,077	650,610	118,894	27,880
Workmen's Mutual, N. Y.	1,626,490	29,266	437,381	134,621	48,927

ditions, on which demonstration the New York department based its decision. The domestic casualty companies contend that foreign mutuals, according to the insurance law, cannot be authorized to adopt classes for dividend schedules unless the same procedure has been approved for domestic companies first. Section 323 of the law says such classifications shall not be in conflict with the standards of classification approved by the superintendent for domestic companies doing the same kind of business. The controversy is based on different interpretations of the statute.

### Join Pan-Am. Casualty

Frank M. McGarr has joined Pan American Casualty as assistant to the

chief underwriter. Robert L. Harper has been named manager of the Houston claims office replacing Earl J. Williams, who has been promoted to claims attorney for the company.

Mr. McGarr has been resident manager in southwestern Texas for National Surety, and Mr. Harper, a graduate of West Virginia university, has been with the T. G. Andrews Claim Service at Houston.

### Aetna Course Under Way

Another session of the agents' seven week training course of Aetna Fire is under way at the home office with students from nine states. L. Ray Ringer, educational director, is in charge. The next session of this course is scheduled to start May 16.



"This is one of the few problems my  
**KANSAS CITY** field man cannot help me solve!"

Rescuing your hat from the March wind is a service your Kansas City field man may not be on hand to perform.\* But when your problem is increasing your income, your Kansas City field man gives you the service you need and want, working to help you build your business and please your clients. What's more, every officer and director of The Kansas City is working for you in the same friendly, practical way.

Many of The Kansas City's officers and directors have had years of experience in meeting the problems of local agents, and our convenient location... near you... has helped these men to become thoroughly familiar with the practical needs of Western insurance agents.

Since our home office is right in the heart of our territory, fast response with your special requests is always available.

Whether it's solving a difficult underwriting problem or the prompt settlement of losses, you can count on The Kansas City!

Monty T. Jones  
PRESIDENT



\*You can bet he would if  
he were there!

**KANSAS CITY** Fire and Marine

INSURANCE COMPANY

KANSAS CITY, MISSOURI

## Schweih's Elevated

Michael Schweih has been elected a director and secretary of Twin City Fire and assistant secretary of Northwestern Fire & Marine at Minneapolis. In both companies he takes the place of L. B. Van DeWall.

Walter H. Feldmann, president of Electric Machinery Manufacturing Co., has been elected a director of these companies in place of Robert W. Webb, who died some time ago.



Michael Schweih



# PEARL AMERICAN GROUP

19 RECTOR ST., NEW YORK 6, N. Y.

CLEVELAND CHICAGO CINCINNATI SAN FRANCISCO PHILADELPHIA  
313 Bulkley Bldg. 175 W. Jackson Blvd. 1423-1424 Carew Tower 369 Pine Street 525 Chestnut St.

## Pearl Assurance Company, Ltd. (United States Branch)

19 Rector Street, New York 6, New York

### FINANCIAL STATEMENT — December 31, 1948

Assets	
*Bonds	
Government .....	\$7,350,474.65
Railroad .....	265,434.93
Public Utilities .....	230,750.00
Industrial and Miscellaneous .....	156,910.73
	<b>\$ 8,003,570.31</b>
*Stocks	
Railroad .....	\$ 191,191.00
Public Utilities .....	1,163,166.00
Bank and Insurance .....	2,183,201.65
Industrial and Miscellaneous .....	862,918.08
	<b>4,400,476.73</b>
Cash .....	<b>1,350,169.75</b>
Premiums in course of collection not over ninety days due, less reinsurance premiums due to other companies .....	238,553.81
Bills Receivable .....	4,533.98
Reinsurance Recoverable on Paid Losses due from other companies .....	941,027.24
Deposits with Underwriters' Boards and/or Associations .....	6,048.30
Accrued Interest on Bonds and Bank Balances .....	50,312.98
Admitted Assets .....	<b>\$14,994,693.10**</b>

Liabilities	
Unearned Premium Reserve .....	\$ 7,201,796.14
Losses in process of adjustment .....	1,042,862.00
Reserve for Taxes, Expenses and other Liabilities .....	379,832.44
Unearned Premiums and Losses Recoverable on reinsurance in companies not admitted to transact business in New York State .....	228,278.99
Statutory Deposit .....	\$ 500,000.00
Surplus .....	<b>5,581,023.53</b>
Surplus to Policyholders .....	<b>6,081,923.53**</b>
	<b>\$14,994,693.10</b>

\*Valuations on basis approved by National Association of Insurance Commissioners. Securities carried at \$610,000.00 are deposited as required by law.

\*\*On basis of December 31, 1948 market quotations for all quoted bonds and stocks owned, this company's total admitted Assets and Surplus to Policyholders would be increased \$15,610.24.

## The Eureka-Security Fire and Marine Insurance Company

Corporate Office: 1423-4 Carew Tower, Cincinnati 2, Ohio

Chief Office: 19 Rector Street, New York 6, New York

### FINANCIAL STATEMENT — December 31, 1948 (New York Basis)

Assets	
*Bonds	
Government .....	\$6,561,718.01
Railroad .....	285,290.13
Public Utilities .....	195,250.00
Industrial and Miscellaneous .....	176,794.49
	<b>\$ 7,219,052.63</b>
*Stocks	
Railroad .....	\$ 20,000.00
Public Utilities .....	1,074,692.00
Bank and Insurance .....	558,862.37
Industrial and Miscellaneous .....	433,294.00
	<b>2,086,848.37</b>
Cash .....	<b>754,823.41</b>
Premiums in course of collection not over ninety days due, less reinsurance premiums due to other companies .....	128,190.69
Reinsurance Recoverable on Paid Losses due from other companies .....	339,096.54
Deposits with Underwriters' Boards and/or Associations .....	7,842.40
Accrued Interest on Bonds .....	46,105.42
Admitted Assets .....	<b>\$10,582,865.46**</b>

Liabilities	
Unearned Premium Reserve .....	\$ 6,254,858.40
Losses in process of adjustment .....	802,726.00
Reserve for Taxes, Expenses and other Liabilities .....	274,228.95
Unearned Premiums and Losses Recoverable on reinsurance in companies not admitted to transact business in New York State .....	67,339.17
Capital .....	\$1,000,000.00
Surplus .....	<b>2,093,712.85</b>
Surplus to Policyholders .....	<b>3,093,712.85**</b>
	<b>\$10,582,865.46</b>

\*Valuations on basis approved by National Association of Insurance Commissioners. Securities carried at \$360,000.00 are deposited as required by law.

\*\*On basis of December 31, 1948 market quotations for all quoted bonds and stocks owned, this company's total admitted Assets and Surplus to Policyholders would be increased \$14,749.57.

## Monarch Fire Insurance Company

Corporate Office: 313 Bulkley Bldg., Cleveland 15, Ohio

Chief Office: 19 Rector Street, New York 6, New York

### FINANCIAL STATEMENT — December 31, 1948 (New York Basis)

Assets	
*Bonds	
Government .....	\$2,380,757.65
Railroad .....	93,357.70
Industrial and Miscellaneous .....	73,700.38
	<b>\$ 2,556,824.73</b>
*Stocks	
Railroad .....	\$ 21,700.00
Public Utilities .....	175,332.00
Bank .....	130,473.00
Industrial and Miscellaneous .....	271,774.73
	<b>605,279.73</b>
Cash .....	<b>441,937.50</b>
Premiums in course of collection not over ninety days due, less reinsurance premiums due to other companies .....	54,590.70
Reinsurance Recoverable on Paid Losses due from other companies .....	200,604.96
Deposits with Underwriters' Boards and/or Associations .....	3,238.00
Accrued Interest on Bonds and Bank Balances .....	10,787.28
Admitted Assets .....	<b>\$ 3,879,331.98</b>

Liabilities	
Unearned Premium Reserve .....	\$ 1,910,996.98
Losses in Process of Adjustment .....	274,438.00
Reserve for Taxes, Expenses and other Liabilities .....	87,679.29
Unearned Premiums and Losses Recoverable on reinsurance in companies not admitted to transact business in New York State .....	4,368.59
**Contingency Reserve .....	\$ 44,479.87
Capital .....	819,336.00
Surplus .....	<b>738,040.25</b>
Surplus to Policyholders .....	<b>1,601,856.12</b>
	<b>\$ 3,879,331.98</b>

\*Valuations on basis approved by National Association of Insurance Commissioners. Securities carried at \$210,000.00 are deposited as required by law.

\*\*Represents difference between total values carried in assets for all bonds and stocks owned and total values based on December 31, 1948 market quotations.

## Fire Waste Council to Have Busy Day April 8

At the annual meeting of the National Fire Waste Council April 8 at the U.S. Chamber of Commerce at Washington Ralph Bradford, executive vice-president of the chamber, will welcome the delegates. Hovey T. Freeman, Manufacturers Mutual Fire, will review the work of the council and outline its plans. Harry F. Ogden, president of Fidelity & Guaranty and vice chairman of the council, will speak on fire prevention work.

A. Bruce Bielaski National Board, will deliver the principal address in which a plan of action will be set forth on "The State Governors' Fire Prevention Conferences, Their Past and Future Operations."

J. C. Stennett, Federation of Mutual Fire Insurance Companies, Chicago, will speak on "Tested Fire Prevention Ideas for Local Chambers of Commerce."

Arch N. Booth, manager of the U.S. Chamber, will speak on "What the Local Chamber Expects from National Organizations." Paul I. Leary, Baltimore, will present a new plan of "Fire Department Records and Inspection Reports." Percy Bugbee, National Fire Protection Assn., will speak on the "Activities and Cooperation of N.F.P.A."

There will be a report on publication by H. E. Hilton and Dennis C. Smith, Home, Chicago, will present a plan for the new farm fire waste contest.

A new development in radio alarms will be exhibited at the fire school at University of Maryland.

## Turner Makes Field Changes

John R. Bourne has been appointed special agent in Virginia for the A. H. Turner management firm of Atlanta. Mr. Bourne has been with the North Carolina Fire Rating Bureau. He succeeds J. Cecil Kinnett, who will devote his time to underwriting at the Atlanta head office.

John S. Bost, who has been traveling the North and South Carolina field, will now devote his time to North Carolina, and Ballard Veine, Jr., is taking over the South Carolina territory. He has been at the Atlanta office.

E. F. Edwards has been named agency superintendent for Virginia and the Carolinas. Mr. Edwards has been in the Carolina field.

## Security Atlanta Changes

Security of Connecticut has moved its southern headquarters to 301-5 Standard building, Atlanta. John D. Simpson has been transferred from Charlotte to become southern marine manager in the new office. Harry N. Taliaferro is resident secretary.

## Widens Inspection Service

Commissioner Allen of Tennessee has announced that with the appointment of Allen Wooten of Selmer and J. G. Leach of Memphis, as deputy fire marshals in west Tennessee, two of the nine deputies will be assigned full time to inspection of fire hazards, the other seven continuing with arson investigations. James E. Young of Memphis has been added as an investigator.

## Pearl Changes in Mich., O.

Special Agent Carl Case of Pearl, located at Sandusky, O., has been made state agent and will be given field supervision over Michigan succeeding State Agent Eugene G. O'Brien who is resigning at his own request to return to the local agency business at Detroit. Mr. O'Brien has been Michigan state agent since 1936.

Mr. Case, who has been traveling northern Ohio except Cuyahoga county will retain in this field those counties which report to the Toledo division of Ohio Inspection Bureau. Mr. Case will later move his headquarters to Michigan. Clifford B. Hawkins, Cleveland man-

ager will have his territory enlarged to include all counties reporting to the Cleveland division of the inspection bureau.

Carl B. Lovett, state agent with headquarters at Cincinnati, will have field jurisdiction of all counties reporting to the Columbus and Cincinnati offices of the bureau as well as Kentucky.

## Ill. Short Course

The first of four one-week, short courses under the auspices of University of Illinois business management service and Illinois Assn. of Insurance Agents gets under way at Galesburg, Monday afternoon, and continues through March 25.

The dates for the subsequent courses this year are May 23-27, Sept. 19-23, and Nov. 14-18.

The faculty consists of R. I. Mehr and Harry Hedges, University of Illinois; William F. Kuffel, Chicago local agent; Harry Thiemeier, North America, Chicago; George Whitford, Fire Association, Chicago and Gerald Myers, W. A. Alexander & Co., Chicago.

Greetings will be extended by Earl P. Strong, director of business management service of University of Illinois.

In the official summary of security transactions and holdings of the SEC

for the period Jan. 11 to Feb. 10 it is reported that William S. Price bought ten shares of Fidelity & Deposit and that comprises his holdings; U.S.F.&G. acquired 20 shares of Fidelity & Guaranty and its holdings now amount to 189,524 shares; Paul Baerwald sold 40 shares of Fidelity-Phenix and now has 440 shares.

## Examiners Make Inspection

Assn. of Fire Insurance Examiners of Chicago inspected the Cruver Manufacturing Co., makers of plastic products, at the March meeting. The tour was followed by a dinner at Klas's restaurant at Cicero. Arrangement were made by P. A. Pederson, chief inspector of National Inspection Co.

## Mo. Mutual Agents Meeting

Missouri Assn. of Mutual Insurance Agents will hold its spring meeting at the DeSoto hotel in St. Louis May 5 and 6.

## Hear Talk on Claim Work

John Farnsworth, claim supervisor of the out-of-state department of Farmers Mutual of Madison, will discuss claim work in fire and auto insurance at the monthly dinner of University of Wisconsin Insurance Society at Madison, March 22.

## Hartford Boiler Changes at Syracuse and S. F.

Elmer P. Leddy has been named manager at San Francisco for Hartford Steam Boiler. He replaces Walter L. Molina who is being transferred to Syracuse as manager.

Mr. Leddy joined Hartford Boiler in 1944 following many years' experience in sales work. He served successively as special agent at New York and Providence and a year ago was made manager of the newly-established branch at Syracuse.

Mr. Molina joined the home office agency staff in 1929 and subsequently served as a special agent at St. Louis, Boston and Cleveland. He was appointed manager at San Francisco in 1944.

## N. Y. Annual May 2-3

New York State Assn. of Insurance Agents has slated May 2-3 for the annual meeting, with headquarters at Hotel Syracuse, Syracuse.

Bruce A. Gibson, state agent for Home at Birmingham, has been promoted to associate manager. He joined Home in 1925 as special agent in Tennessee and was transferred to Alabama in 1937 where he later became state agent.

# New figures

... BUT AN OLD TRADITION!

SECURITY... STRENGTH... SERVICE

UNITED STATES RESOURCES AS OF DECEMBER 31, 1948

Year Estab- lished		ADMITTED ASSETS	LIABILITIES	CAPITAL	SURPLUS TO POLICY HOLDERS (Includes Capital)	
					Annual Statement Basis	Market Quotations Dec. 31, 1948
1896	American and Foreign Insurance Company . .	\$13,011,530	\$ 7,546,051	\$1,500,000	\$ 5,465,479	\$ 5,392,717
1863	The British & Foreign Marine Ins. Co., Ltd.* .	8,156,244	4,575,727	500,000	3,580,517	3,504,890
1911	Capital Fire Insurance Company of California .	3,673,689	1,645,290	1,000,000	2,028,399	1,975,635
1922	Eagle Indemnity Company . . . . .	12,093,150	7,299,655	1,000,000	4,793,495	4,698,798
1908	Federal Union Insurance Company . . . . .	5,617,185	3,358,865	1,000,000	2,258,320	2,196,926
1911	Globe Indemnity Company . . . . .	68,704,300	47,125,207	2,500,000	21,579,093	21,007,497
1836	The Liverpool & London & Globe Ins. Co. Ltd.* .	30,464,097	20,472,315	500,000	9,991,782	9,673,252
1811	The Newark Fire Insurance Company . . . .	17,498,950	10,810,610	2,000,000	6,688,340	6,593,467
1891	Queen Insurance Company of America . . . .	39,385,671	25,761,640	5,000,000	13,624,031	13,267,954
1910	Royal Indemnity Company . . . . .	62,429,784	43,929,916	2,500,000	18,499,868	17,946,955
1845	Royal Insurance Company, Ltd.* . . . .	34,742,743	23,150,993	500,000	11,591,750	11,280,880
1924	The Seaboard Insurance Company . . . . .	2,611,091	1,271,539	600,000	1,339,552	1,312,363
1896	Star Insurance Company of America . . . .	10,405,477	6,899,313	1,000,000	3,506,164	3,403,003
1860	Thames & Mersey Marine Insurance Co., Ltd.* .	5,028,891	2,662,518	500,000	2,366,373	2,311,771

\* United States Branch. The amount shown under "Capital" is the statutory deposit required to transact business in the U. S. A.

CASUALTY—FIRE—MARINE COMPANIES OF THE

# ROYAL-LIVERPOOL GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK 8, N. Y.



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3,403,003  
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N. Y.



# Attention: LOSS EXECUTIVES FIRE UNDERWRITERS ADJUSTERS • BROKERS • AGENTS

You Should Know About This New And Proven Way  
To Save Money On Smoke Odor Damage Claims

**W**ORD is rapidly spreading through the fire insurance business about an amazing new product for eliminating smoke odor damage caused by fire. The product being talked about is

Airkem. Read how Airkem Smoke Odor Service can help you save on settlements.



## WHAT IS AIRKEM?

Airkem is the trade name for a number of products manufactured and distributed by Airkem, Inc., pioneer manufacturer of deodorizing and air freshening formulae used widely in business and industry for a variety of different purposes. Recently, as a special service to fire insurance companies, Airkem has developed two formulae, known as Osmix 21 and 22, specifically designed to remove smoke odors from merchandise, furnishings and the charred interiors of buildings.

## HOW IS AIRKEM APPLIED?

Airkem is power-sprayed directly in the damaged areas to build up a high concentration of the product. Portable dispensing units are then installed and kept operating in the closed building. In addition to the substantial financial savings realized on reduced claims, considerable inconvenience is avoided. The merchandise or furnishings do not have to be removed. Airkem vapor circulates throughout the same areas as do the smoke odors . . . and kills them, leaving no odor of its own.



## HOW SUCCESSFUL IS AIRKEM?

Airkem has solved hundreds of smoke odor problems in commercial and industrial areas involving damage to merchandise of all kinds, including textiles, furs and foodstuffs. It has proven equally effective in removing smoke odors from furnishings and clothing in private homes and from automobile interiors. Airkem Smoke Odor Service has been successful in every application to date.

**Airkem**  
Smoke Odor Service

## CASE HISTORY 215 (TEXAS #29)



A large fur company recently was faced with smoke odor damage losses to furs, coats and dresses valued at more than \$280,000. The show rooms, stock rooms and vaults were sprayed with a high concentration of Airkem vapor, and all merchandise was rendered entirely free of odors after 36 hours of application. In addition, the floors and walls of rooms in which goods were received were sprayed with Airkem so that business could continue with a minimum of inconvenience. The entire cost of the Airkem application was \$659.63. *No claim was paid on any stock due to smoke odor damage.*

## SAVINGS ON SMOKE ODOR CLAIMS



The above authentic case history from the Airkem files is typical of hundreds of cases where Airkem has saved insurance companies thousands of dollars on smoke odor damage claims. No wonder Airkem has become of such increasing interest to loss executives, underwriters, adjusters, brokers and agents.



## MINIMUM USE AND OCCUPANCY LOSS

The fact that the insured usually can either continue his business or resume operations in a few days is important to the adjuster when a Use and Occupancy clause is in effect. There is also a psychological factor involved. Adjusters find it far easier to effect a reasonable settlement with the insured when no smoke odor exists than when the smell of burned merchandise is present during negotiations.

## TRAINED PERSONNEL



Airkem's staff of trained personnel is ready, at a moment's notice, to consult with you on any type of smoke odor damage problem. Airkem distributors are located in all principal cities. Consult your classified phone directory or wire Airkem at address below for prompt service. For complete information about Airkem Smoke Odor Service, write for illustrated booklet.



AIRKEM, INC., 241 EAST 44TH STREET, NEW YORK 17, N. Y.

## First N.A.I.A. Territorial Rally Draws 300

(CONTINUED FROM PAGE 1)

representative groups present also from Massachusetts, Rhode Island, Vermont, Maine, New Hampshire, Delaware, District of Columbia and West Virginia. On the first morning many agents took the opportunity to visit the home office of the Baltimore insurance companies.

### Expense Panel Featured

The big feature of the first day's session was a panel on "The Dollars and Sense of Agency Operations," with H. Earl Munz, vice-president New Jersey association, as leader.

Russell M. L. Carson, state director of the New York association, declared in his remarks that a graded scale of commissions, based on classification of agencies according to service performed, can overcome present inequalities in compensation in a logical, defensive way. He held that any analysis of insurance commissions must break the subject down into two main elements, acquisition cost and agency service.

Asked from the floor who would classify agencies for commission ratings, Mr. Carson replied that he feels companies and agents should work out this problem in joint conferences.

### Part Time Agency Allocations

William W. Hatfield, president Connecticut association, in a brief discussion of allocation of income and expense in part-time agencies, such as those combining real estate or banking with insurance operations, said it is important to deal with premium income rather than commission income. He said the insurance part of the operations should produce at least 2½% profit on gross sales.

Joseph A. Neumann, executive vice-president of the New York association, outlined how an agent can determine his cost of doing business. Mr. Neumann remarked that companies often refused

to take an agent's business by stating that the class is unprofitable, but the agent himself will write many classes that are unprofitable to him. The companies have no right to ask an agent to write a certain class at a loss any more than the company will do so itself, he said. Agents now have the advantage of national averages with which to compare their business costs.

He outlined a simple method for determination of average total cost per policy to an agent so that the producer can know the point below which it becomes unprofitable to write business. This is a vital matter today, Mr. Neumann emphasized, because agents may have to defend their commissions before supervisory authorities and "against those who would tear down the structure of the American agency system by continuing reduction in commissions to make up for their lack of efficiency."

Frederick W. Doremus, manager-secretary of Eastern Underwriters Assn., reviewed the public relations program of E.U.A. at the first general session. He described the expanded field activities in the territory which include formation of fire prevention associations and conducting of town inspections, and remarked on the several publications that E.U.A. has distributed through the field men.

The morning pre-general session meeting of state association officers was devoted to consideration of intra-conference operations and to preliminary discussions of matters to come before the convention. It was announced that Guy T. Warfield, Baltimore, was serving as chairman of the nomination committee with Henry \*Bailey, Groton, Conn., heading the resolutions committee.

William F. Turner, Jersey City, member of the N.A.I.A. fire prevention committee, emphasized the importance of

agents closely identifying themselves with fire safety endeavors in their local communities. Too few are really interested in this work even after all the efforts made in past years to stimulate activity. He said also that if agents would sell some fire prevention idea every time they sold a policy they would win even further respect and confidence from their assured. Mr. Turner was the concluding speaker on the Monday agenda.

### JOHN STOTT'S REMARKS

The threat of collective bargaining by agents and brokers is a distinct one unless companies and agents can work out together a procedure wherein the rights of both in respect to commissions may be recognized and discussed, John C. Stott, president of the National Association, said in his address at the Tuesday luncheon.

Reviewing the situation in New York state following Attorney General Goldstein's opinion on the Acquisition Cost Conference and introduction of a bill in the legislature authorizing voluntary cooperative commission agreements, Mr. Stott criticized the attitude of the companies. He remarked that they opposed the commission agreement bill, but did not suggest an amendment seeking correction of their criticisms.

It is high time, Mr. Stott declared, that producers accept the leadership in development of a common ground for discussion with the companies. Producers are entitled to fair and reasonable compensation for the services they render, and are, as a matter of common sense, entitled to a forum where they may discuss as organized agents, compensation in the public interest.

The Acquisition Cost Conference has had a salutary effect on the casualty business as a whole, and there has been little criticism within the producers' ranks, he said.

The Goldstein opinion has changed the trend of thought of many producers and some companies, he remarked. Adherence to the right of private contract is being scrutinized, but the argument is being advanced in some quarters that the practical application of the right of private contract does not produce the freedom that is generally supposed. The argument in this respect is that with strict rate regulation before the agent seeks to exercise his right of private contract, the area in which he has the opportunity to exercise that right has already been circumscribed into a narrow area by the element in the rates for acquisition cost. Mr. Stott emphasized that while he is against collective bargaining, if the right of contract will not provide the answer and the buyers' market into which the business is entering will produce commission wars adverse to the public interests, and if there is no provision made or permissive legislation enacted that will provide for conferences on commission, the industry will be faced in short order with a collective bargaining situation.

### Tells Utica Safety Record

An outline of how the Utica, N. Y., agents overcame the high automobile loss ratio in their city was given by Andrew C. Treiber, president Agents Club of Utica.

In 1947 companies started to pull out of Utica on auto business, and the agents association appointed an accident prevention committee which worked in cooperation with the accident department of Assn. of Casualty & Surety Companies. A program was developed of stricter law enforcement and higher fines, and Mr. Treiber said that by the first part of 1948, accidents immediately started to decline. Newspapers gave considerable space to the drive and the city now is far ahead of many other metropolitan areas in its safety record.

Mr. Treiber said that within a year accidents decreased by 20% while motor vehicles registered increased 15%.

The convention Tuesday adopted a constitution, changing the name of the organization from Territorial Conference to Eastern Agents Conference of NAIA. Provision was made for election of chairman, two vice-chairmen, treasurer and secretary. David A. North, New Haven, was chairman of the committee preparing the constitution.

Powers of this conference are advisory only. The constitution states that "neither this conference nor any of its committees shall take action or issue any statements which shall be binding on the National association, any state association, or any member, unless expressly authorized to do so by the association or member concerned; but all matters on which this conference shall act, except those relating to the business affairs of this conference itself, shall be considered to be in an advisory capacity."

It was voted to create a nominating committee, consisting of one member from each state, which shall have power to canvass eastern territory for qualified nominees for notional offices and to make recommendations to the national board of state directors at the annual convention of N.A.I.A.

The convention tabled a proposed resolution which would have put the Eastern Conference on record as favoring action by national directors in San Francisco to allow National association committees to discuss commission matters with company committees. There was a sharp division of viewpoint on this question.

Resolutions adopted oppose federal government insuring fidelity hazards of certain employees, oppose adoption of any socialized medicine program by the federal government, and suggest consolidation of automobile manuals of National Automobile Underwriters Assn. and National Bureau of Casualty Underwriters.

## Domestic Markets for Any Hard to Place Coverages

Such as

Butane Haulers

Propane Haulers

Gasoline Haulers

Local-Long Haul Truckers

Rented Cars

Rented Trucks

Rented Trailers

Sub-Standard Private Auto Risks

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you'll do well with the  
**HARTFORD**



—all forms of fire,  
marine and casualty  
insurance and fidelity  
and surety bonds.

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INSURANCE COMPANY**  
**HARTFORD ACCIDENT  
AND INDEMNITY COMPANY**  
**HARTFORD LIVE STOCK  
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**HARTFORD 15, CONNECTICUT**

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## Mayle G. & R. Coast Chief

R. J. Mayle has been appointed manager of the Pacific Coast department of Globe & Rutgers and American Home. Mr. Mayle was vice-president and treasurer of Pacific National and has been active in western insurance circles for more than 20 years. He joined Pacific National in 1928, and the following year was elected secretary.

## San Antonio Exchange Elects New Officers

The San Antonio Exchange at its annual meeting heard from T. C. Fitzgough, president Texas Assn. of Insurance Agents, on proposed revisions of the Texas standard fire policy. Secretary Drex Foreman of the Texas association also attended.

N. W. Jackson, nominating chairman, presented this slate, which was elected: Ocius Wolf, president; Fred Riley, vice-president; F. F. Ludolph, secretary-treasurer (elected for his 36th consecutive year); directors—L. C. Beery and L. H. Bailey, Perry & Savage agency. Jack Fraizer, who has resigned as special agent for the Loyalty group, was elected a recording agency member. He has bought the George C. Saur & Son agency.

## Woman Leader Honored

Sally Nowling, past president of Texas Federation of Insurance Women, who has resigned as manager of the automobile and fire department of the Joe W. Summers General Agency, San Antonio to become associated with an agency in Houston, was present, and Mr. Ludolph paid tribute to her for her work in improving personnel of San Antonio insurance office employees.

## Jacobs in Seattle Post

H. Denham Jacobs has been appointed as average adjuster with the Seattle firm of R. A. Clancey & Co. He takes over the duties formerly handled by Mr. Clancey, who died in August.

Mr. Jacobs is a native of England and has been engaged in average adjusting since 1912.

## Drexler Joins Gimble

Bruce Drexler has been appointed assistant manager of the insurance department of the H. S. Gimble agency, Spokane, succeeding Frank Brockett, who has joined Glens Falls as special agent there.

## Hail Panels in Minn.

A hail panel will be held at regional meetings of Minnesota Assn. of Insurance Agents April 5 at Springfield, April 6, Lakefield and April 7, Montevideo.

"The Human Element in the Hail Insurance Business" is the theme.

Program chairman is L. A. Rutherford, Fireman's Fund. Members of the panel are H. J. Clough, America Fore; Coy Cochran, Home; Clark Jeston, Great American; J. M. Nearhood, St. Paul F. & M., and George Hansen, Rain & Hail Bureau.

## Third Edition Published

Prentice-Hall has published the third edition of "Fire Insurance" by Robert Riegel and Jerome S. Miller. This book not only explains the technicalities of insurance, but comments on the philosophy of the industry and its successes and failures in measuring up to the problems of the day. An entire chapter is devoted to fire insurance rates which deals not only with present methods, but other possible methods of rate making. Various criticisms of fire insurance rating are included. There is a discussion of the statistical methods of rate making as well as obstacles to that plan. State regulation of rates is treated at

some length. There is a complete chapter on insuring consequential loss.

The book may be obtained at \$4 per copy from the publisher, 70 Fifth avenue, New York, or from THE NATIONAL UNDERWRITER.

## Buyers Hear Braddock, Diemer

Robert A. Braddock, assistant manager of R. B. Jones & Sons of Kansas City, spoke on "If I Were an Insurance Buyer" at the March 15 meeting of Kansas City Insured Members Conference.

E. Diemer, director of research of

Associated Industries of Missouri, spoke on "Unemployment compensation" at the St. Joseph Insured Members Conference March 16.

John Marsh Kennedy has been appointed field representative for Oakland-Sacramento territory of Standard Accident. He has been casualty underwriter. At one time he was with Hartford Accident. He is a graduate of University of California.

New Jersey State Fire Prevention Assn. at its annual meeting at Trenton, elected as president, Edmund M. Neary,

American; vice-president, D. Donald Hall, Corroon & Reynolds; secretary, F. L. Bross, Yorkshire; treasurer, J. A. Leconey, America Fore.

Lawrence Porter, formerly associated with the Emmett Wright agency, and B. E. Mason, for two years with the Singletary agency, have formed the Porter-Mason agency at Beloit, Wis.

"Bosses' night" of Sioux Falls Assn. of Insurance Women was a grand success. The 30 bosses in attendance entered into the gay carnival mood. Max Maron, Sioux Falls attorney, was the speaker.

North American Life & Casualty has been licensed in Ontario to write life, accident and sickness.

**Dependable performance of protective signaling systems is founded on five basic requirements ...completely and effectively met by ADT Central Station Electric Protection Service...**

**Skilled installation**

**Continuous supervision**

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ADT provides these specialized functions through Central Stations located in all principal cities of the United States. These Central Stations are manned continuously by experienced personnel concerned only with the care and operation of protective signaling systems. Such service is your assurance of prompt and effective action when an emergency arises.

Write for complete information on these and other ADT Services: Automatic Fire Detection and Alarm Service; Manual Fire Alarm Service; Sprinkler Supervisory and Waterflow Alarm Service; Watchman's Reporting Service; Burglar Alarm and Holdup Alarm Services.

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*Electric Protection Services*  
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A NATION-WIDE ORGANIZATION



## Marine Insurers Gird for Final ECA Battle

(CONTINUED FROM PAGE 3)

mean competitive ocean shipping rates on a world basis.

An ECA decision of early winter to drop the 50-50 requirement with respect to bulk commodity shipments resulted in such loud protests from American shipping owners and maritime labor that Hoffman postponed its effective date for a few months, to give Congress a chance to consider the matter.

The House committee said that its attention was called to the situation with respect to marine insurance and government-financed exports.

"For instance," said the committee report, "it appears that American-owned marine insurance companies are being deprived of a large amount of insurance business, which but for the policy of the economic cooperation administration would be available for the strengthening of this very important element of the American merchant marine. The Congress has several times in the past forcefully stated its position with regard to fostering the growth of the American marine insurance market. It is the consensus of your committee that the economic cooperation administration and all other administrative agencies of the government should keep cognizant of the policy heretofore expressed by Congress on this subject. In this connection your committee is advised that the economic cooperation administration is presently endeavoring to review its policies in regard to insurance to cooperate with the marine insurance industry."

The next forum in which American marine interests can present their case will be the floor of the Senate, where attack may be made on the lack of provision for them in the ECA bill reported by the foreign relations committee. If that is not successful, the fight can be carried to the Senate or House appropriation committees, which will

consider a bill to provide the funds called for in the present ECA bill which latter only authorizes appropriation of money. Finally, consideration of the 50-50 American flag shipping bill may afford opportunity for amendment in interest of American marine.

### Don't Distinguish as to Insurance

Members of the foreign relations committee have said 109 different American interests sought protective provisions in the ECA bill and that if one, including marine insurance, were given protection, others would claim it. All were turned down.

However, American marine interests point to a different situation with respect to their industry. ECA policy, they say, has resulted in disrupting a pattern of doing business that has long been in effect. If that disruption continues under ECA, it is said, it may be very difficult to restore the pattern after ECA passes out of the picture. In other words, the effect of the ECA policy may be long continuing and expanding against the marine industry generally, thus working severe and permanent damage to the industry which Congress has declared on prior occasions is entitled to special consideration, in connection with anti-trust exemption, and otherwise.

Following is the text of Hoffman's letter to McCarran, referred to above:

### Recalls Former Announcement

"Last September we announced that ECA would not supply dollars to purchase marine insurance. This was based upon our view that the size of the ECA program made it possible to operate on the basis of self-insurance and that the expenditure of ECA dollars for insurance premiums was not an economical use of funds. Recently, following the hearing before the joint committee on

foreign economic cooperation, we have conferred with representatives of the marine insurance industry. They emphasized the point that the existing policy had an indirect effect of placing American insurance companies in an unfavorable competitive position which can be briefly described as follows:

"Although from the overall point of view of ECA the large size of the program might make self-insurance practicable, the individual importer in the foreign country may wish to insure his particular interest in an individual ECA-financed cargo. Under the previous policy, ECA dollars were not available for this purpose, and in many cases the importer's own government was unable or unwilling as a matter of policy in the husbanding of scarce dollars, to furnish dollars for insurance premiums. The result was that the importer could insure only for local currency. This tended to throw to foreign insurance companies the business of insuring ECA-financed cargoes.

"We examined carefully this argument of the American insurance companies, and we reviewed with their representatives the practical implications in terms of dollars and cents of the ECA marine insurance policy. As you have noted, it developed that the amount of insurance premiums involved was relatively minor in amount. I therefore felt it proper, despite the strong reasons in favor of self-insurance, to alter our decision of last September and to permit ECA dollars to be used to pay for marine insurance in the same way as for other goods and services. This decision is the one announced on Feb. 23.

"By this decision ECA has informed each foreign government that, in permitting its importers to carry dollar insurance, it need not deplete its own dollar reserves. I wish to emphasize that the effect of this new policy is to place American insurance companies in precisely the same position as other American exporters of goods and services now being paid from ECA funds.

### Can't Go Beyond This

"I do not think that ECA should go further than this nor that ECA should require insurance with American companies on a specified percentage of cargoes or any similar formula. I would be most unwilling by administrative action to single out American insurance interests from other American suppliers of goods and services and place them in a preferred class. ECA should see to it that its policies do not result in unjust discrimination against particular classes of suppliers, and particularly in such discrimination as against American suppliers generally. I believe that the Feb. 23 decision on marine insurance meets these standards and is a proper one."

Despite the verdict of the Senate foreign relations committee against inserting a proposal for the benefit of American marine interest in the ECA authorization bill for next fiscal year and the discouraging attitude of ECA, insurance observers believe the matter can still be handled to the satisfaction of marine interest, if they work "smart and fast" when the ECA bill is taken up in the Senate after the filibuster and certain legislative matters are disposed of.

The foreign relations committee, reporting on its bill, said it examined the old ECA decision not to pay marine premiums, and referred to the ECA change of policy, so as to reimburse participating countries for marine coverage costs "on the same basis as it reimburses for all other items in the program. Specific legislation on this point at this time did not seem practicable," the committee concluded.

The job of the marine representatives, observers believe, is to convince certain Senators, who have not been sym-

thetic toward their proposal, that the life of the American marine industry may depend upon fair treatment under the ECA program. Attempt will be made, it is said, to convince these Senators that if the pattern of marine insurance is distributed over the four or five year period covered by ECA, the business may be largely transferred to London Lloyds and other foreign insurers, permanently.

### Question of Sovereignty

Certain Senators are reported sticklers for respecting the "sovereignty" of the ECA participating countries by not imposing any requirement with respect to marine insurance. Some reportedly regard the marine group as "just another lobby." However, attempt is being made to convince Senators that the American marine industry has a definite complaint.

Industry representatives say that under the new ECA policy, participating countries will not generally ask ECA reimbursement for dollar costs of marine premiums, because those countries would rather have goods in dollars, than dollars insurance.

Under the circumstances, one suggestion is that a certain percentage or amount under the ECA program be set aside for payment of marine premiums. If participating countries balk at such a proposal and if ECA holds to its policy of leaving insurance up to participating countries, then, a suggestion is heard that if there is not going to be marine insurance of ECA exports on a fair competitive basis, no insurance shall be reimbursed by that agency.

Such a proposal, if adopted by Congress, it is believed, would bring ECA, participating countries, and possibly foreign insurers "to time." Whether the proposal could be enacted into law, observers believe, will depend upon the final attitude of certain Senators, as no great difficulty would be anticipated in the House.

### Larson Asks Record Budget in Florida

Commissioner Larson of Florida, in addressing a joint meeting of Insurers Exchange of Jacksonville and the real estate board there, announced that he will request a budget for the department of \$175,000 for the biennium, this being the highest request in history. He said if the department is to render the service to which the insurance business and the public is entitled, the increased appropriation is imperative. In 10 years the number of licensed agents in the state has increased from 9,903 to 23,410.

Francis W. Clark, president of the insurance board, and Robert G. Blanc, president of the real estate board, shared presiding honors.

### County Gets Rate Concession

Cecil W. Powell, Jacksonville, Fla., insurance broker, has advised the Duval county board of commissioners that insurance rate on the county's voting machines is being reduced from 40 cents to 30 cents per \$100 of valuation due to its excellent system of storage. A voting machine warehouse was constructed about a year ago on the county prison farm property. Insurance is on an all risk basis and Mr. Powell expressed the belief that the rate in Duval county is the lowest in the country.

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## Crafts Preaches Consistency Theme

(CONTINUED FROM PAGE 1)

ganization activities on the same pattern now being used in company offices.

Even when it comes to rating, he said, there are excellent grounds for studying the possibilities of expense savings resulting from consolidations and multiple line operations on a national scale. While the business does not want to lose the value of local or sectional knowledge "there is no reason to perpetuate little dynasties." Consolidations all along the line would create greater efficiencies and economies, and place the business in a position to stand free of the criticism that organization activities are divided.

### Defends Stray Lambs

Mr. Crafts took up a defense of those who have strayed from strict adherence to tradition, and observed that criticism of these activities while partly justified is more often born of an unrealistic understanding of the intent and purpose of the anti-trust laws than a lack of appreciation of the advantages and contributions that competition has made to the industry. He noted that the growth and development of mutual companies is testimony of the fact that they have made an impression upon a large portion of the population on a cost and service factor basis.

As the business takes inventory of its competitive position, Mr. Crafts urged a frankness and willingness to discuss items in the expense ratio which will become more important as the competition becomes keener. Perhaps one of the first things to be agreed upon is that representation will be limited to qualified agents and brokers capable of using sound judgment and rendering service. "We should let it be known that the capital stock system stands ready to meet the needs of the American people by writing insurance at justified rates for all the apples in the barrel and not just the rosy ones," he declared. Companies should express openly their willingness to compensate representatives on a basis relative to services performed. Some commissions paid on small premium business are inadequate, and he said that that situation should be promptly corrected. On the other hand, commissions are excessive on many of the larger premiums and should be reduced through the adoption of a graded scale of commissions. Mr. Crafts recommended full discussions with producers for a joint determination of adequate compensation.

### Carry Efficiencies Down the Line

In company operations, controllable expenses can be materially reduced through greater efficiencies and economies. Mr. Crafts recommended that such research be carried over into organization activities.

The premium payment system in the fire and casualty business is a field in which correction might be needed, he remarked. He brought out the idea of premium payments in installments, questioning why the fire and casualty line should be the only one that has not provided such a system for those who cannot pay full premium when the policy is written. The present requirement at times leads to inadequate protection, outside financing or delayed payment, and involves expensive handling of premiums by producers and companies.

Finally, Mr. Crafts said that of paramount importance is provision for employees for greater opportunities to progress and share company successes. The insurance business, he declared, should be the first to adopt above average security and benefit plans in the interest of employees, and these plans should be models that could be followed by other corporations and types of business. The high degree of understanding of the value and purpose of security inherent in the industry should be translated into consideration of the employees and their future welfare.

Pointing out that insurance progress directly parallels the economic progress

of the country, Mr. Crafts stated that the most important trend having a direct bearing on the future prosperity of the industry is that toward socialism. He urged that a large number of people be continuously reminded of the principles of private initiative and enterprise and asked that those in the business acquaint themselves with economic developments so that the industry can defend itself against the "selfish proposals of a chosen few, some who unfortunately occupy places of high authority."

Progressive leadership within the business, Mr. Crafts said, can provide protection for those who do not now enjoy it and better protection for those whose insurance is inadequate. He emphasized the importance of this objective by remarking that existing demands for improved social security benefits at both the state and federal level concern insurance which is now available through commercial companies.

Why, he asked, should there be a demand for governmental assistance against hazards of financial loss from injuries, hospitalization or medical care if the business does an effective educational and selling job? Governmental

authority should be reminded of the progress made by the industry in providing new security benefits, and convinced that private enterprise can do a more effective job at a cost more attractive than that charged by the states or government.

### Bonstin Heads Producers

It was incorrectly stated in the Feb. 17 issue of The National Underwriter that E. L. Mitchell was elected president of the newly organized Producers Insurance Co. of San Francisco. Mr. Mitchell was elected vice-president and secretary and the president is Elmer Bonstin.

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## NEWS OF THE COMPANIES

### Challenge Is Made of Balloting at Northeastern

HARTFORD—A suit challenging the legality of the election of four of the eight directors of Northeastern has been filed in superior court here.

The action is based on a claim of Alexander C. Dick of New York that at the annual meeting of Northeastern March 1, William L. Less, 2d, of New York, board chairman, "illegally" refused to accept the votes cast for Mr. Dick and three other men for directors.

Mr. Dick contends that he, William T. Golden of Washington, Ralph E. Hansmann of New York and R. Howard Webster of Montreal, were elected directors by vote of a majority of the stock represented at the meeting.

He charges that Mr. Less "illegally ordered the tellers not to count said votes and arbitrarily and illegally declared elected as directors four other persons."

The four men elected are Justin W. Carr of New Orleans, Guernsey Curran, Jr., of New York, H. Carl Northrup of Carmel, N. Y., and Mr. Less.

The election of the four other directors is not questioned. They are William J. Langler, president and treasurer of the company; George E. Allen of Washington; George E. How of Montreal and Fred J. Young of New York.

Mr. Dick explained that "the controversy is between two groups of stockholders and does not in anyway bring into question or criticize the conduct of the insurance business of the company under the supervision of Mr. Langler as president."

Judge Daly has required Less, Carr, Curran and Northrup to show cause by March 22 why they claim to be members of the company's board.

### G. S. Lee Now Secretary

G. S. Lee has been elected secretary of Metropolitan Fire of Hartford.

John T. Byrne, president of Talbot, Bird & Co., has been elected a director filling the vacancy caused by the resignation of L. W. Manning.

### Millers National Levels Off Premium Writings

Millers National's premium writings were levelled off at \$5,288,283 for 1948, a decrease of \$79,991. Premium reserve was \$5,288,424, an increase of \$137,960. Assets were \$9,553,127, increase \$47,671 and policyholders' surplus was up \$91,832 at \$2,197,135.

The Illinois Fire stock investment was carried at \$1,186,042.

Illinois Fire reported premium writings of \$1,042,901, an increase of \$198,069. Premium reserve was \$1,076,237, increase \$16,364. Assets were \$2,426,666 and policyholders' surplus was \$1,189,851.

### N. W. F. & M. and Twin City Make Excellent Reports

Northwestern Fire & Marine in its new statement reports assets of \$3,938,621, premium reserve \$1,250,065, capital \$1 million, net surplus \$1,257,648 and voluntary reserves \$70,000. The gross premium writings amounted to \$7,827,163 and the net premiums retained were \$1,492,305. Losses and expenses aggregated \$1,291,894.

The affiliated Twin City Fire had assets \$2,610,396, premium reserve \$747,814, capital \$500,000 and net surplus \$1,146,698. Gross premiums were \$4,645,039 and net premiums retained \$893,197. Losses and expenses total \$773,494.

John S. Thompson, president of Mutual Benefit Life, has been elected to the board of American.

### Ill. City License Tax Bill

A hearing is being held this week by the license and miscellaneous committee of the Illinois house on a bill to permit municipalities to license and tax agents, brokers, and company representatives. There is naturally much opposition to this measure on the part of insurance interests. The bill springs from the at-

tempt on the part of the city of Chicago to tax and license brokers. This has been a running controversy for a number of years. Currently the city is enjoined by an action brought by Insurance Brokers Assn. of Illinois.

### Bowersock New Chairman of N. E. Rating Assn.

BOSTON — D. C. Bowersock, president of Boston, has been elected chairman of the board of governors of New England Fire Insurance Rating Assn., to succeed John A. North, vice-president of Phoenix of Hartford. Guy E. Beardsley, vice-president of Aetna Fire, was elected vice-chairman.

New members of the board are Joseph K. Hooker, vice-president of Automobile; Henry W. Cowles, vice-president of Glens Falls; Harold Jenks, executive vice-president United States Fire; C. D. Sheffe, U. S. manager of London Assurance, and John G. Loose, vice-president of Great American.

Benjamin M. Hermes was reelected executive manager and Ralph Sweetland secretary. The reports showed a membership of 276 companies.

### Sidway in New Marine Post

Fire Association has appointed Franklin Sidway as marine special agent for New York exclusive of the New York metropolitan area, with headquarters at Syracuse.

Mr. Sidway joins Fire Association after many years as a marine producer in the state, having entered the business in 1924. His career in production and special agency work was interrupted by three years as a captain in the army ocean transportation corps.

### Would Tax Mich. Insurers

LANSING — Commenting on a bill introduced in the Michigan legislature, designed to bring Michigan-domiciled carriers under the premium tax law, Commissioner Forbes said the introduction of the bill came as a surprise to him. He estimated additional revenues, if the measure gained passage, at something less than \$1 million a year. The money, he noted, would go into the primary school fund and would not relieve the

state's financial problem, in which a general fund deficit looms.

The measure would exclude policy and membership fees in computing taxable income of life carriers but would include them as premiums of casualty, fire and auto carriers.

### Danger in Buyers Market Without Commission Control

W. A. Riordan, Aetna Casualty, in his presidential address at the annual meeting of New York Fire Insurance Exchange expressed apprehension at the approach of a buyers market at a time when proper rules are lacking on the commission situation. This is an unhappy situation and one which might cause serious harm to the business, he declared. If the legislature should adjourn without taking appropriate and satisfactory action to permit companies legally to act in concert commission-wise or otherwise, anything can happen and probably will, he declared.

As soon as companies feel the pinch of losing business, some might be tempted to offer higher commissions, which under the present state of affairs is possible. He said it is highly important to maintain the present status quo. Mr. Riordan was reelected president.

Central Trust of China was elected to membership. The membership now consists of 187 companies.

### Agency Observes 50th Year

The Dallas local agency of Seay & Hall is celebrating its golden anniversary, having been started in 1899 by Mrs. John Young. The late G. Mabry Seay, who was a member of the executive committee of National Assn. of Insurance Agents, bought the agency and in 1910 was joined by the late Freeman Hall. D. D. McCain entered the agency in 1920 and Eric C. Gambrell in 1922. They acquired control of the agency in 1936. Mr. Gambrell is a past president of both Texas and Dallas Assns. of Insurance Agents.

### Equitable, S. C., Correction

In the tabulation of fire company statement figures appearing in the March 3 edition of THE NATIONAL UNDERWRITER, surplus and increase in surplus to policyholders for Equitable Fire of South Carolina, were omitted. The surplus was \$808,793 and the increase \$23,768.

### Seek Tenn. Auto Title Law

MEMPHIS—Tennessee & Mississippi Sheriffs & Peace Officers Assn. will introduce a bill in the Tennessee legislature when it reconvenes March 21 to enact an automobile certificate of title law in Tennessee similar to that in force in several other states.

### New Des Moines Agency

The Anton & Hammond Insurance Corp. of Des Moines has been formed by Ivan H. Anton and O'Hara W. Hammond. Mr. Anton has operated his own agency in Des Moines for 14 years while Mr. Hammond has been with Aetna Casualty for 10 years.

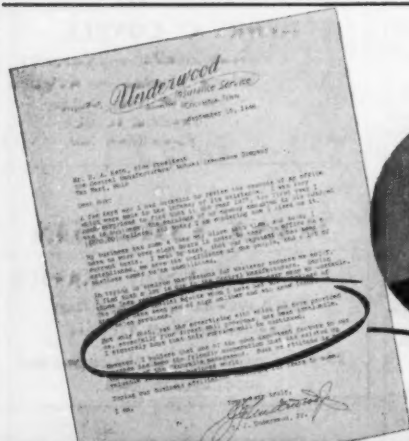
### Racine, Wis., Rerated

Racine, Wis., will be rerated by Wisconsin Fire Insurance Rating Bureau from fourth to third class as the result of a survey by National Board. New rate cards will be issued after an inspection by the rating bureau.

### Hartman Named in Iowa

O. E. Hartman of Des Moines has been appointed special agent in Iowa for the Springfield group. He has been in the insurance business since 1935.

F. V. Rudd, formerly of Evansville, Ind., now executive vice-president of Marsh & McLennan at Detroit, addressed the Evansville Office Management Assn.



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## NEWS OF FIELD MEN

### Roy L. Nicholson Has Retired from Field Work

Roy L. Nicholson has retired from field work for Michigan Fire & Marine in Wisconsin after 16 years in fire insurance. He is a native of England and was a writer, actor and stage director before entering insurance work at the home office of Home at New York in 1903. He has retained his interest in those fields throughout the years. He went to Wisconsin as special agent of Home in 1908, joined Michigan F. & M. as Wisconsin state agent in 1920 and has been with that company ever since.



Roy L. Nicholson

He has served as president of Life Members Society of Fire Underwriters Assn. of the Northwest and of Wisconsin Fire Prevention Assn. and most loyal gander of Wisconsin Blue Goose.

Mr. Nicholson is entering the local agency field as a Class A (solicitor) member of the Milwaukee Board. He will have an office with the Otto A. Braun agency, writing fire and casualty, except health and accident. He is also accepting speaking engagements.

Wisconsin Blue Goose is giving a testimonial luncheon for Mr. Nicholson at Milwaukee, March 26, along with A. L. Tellin, formerly of Northern of New York, and R. E. Hoskins, Aetna Fire.

### New Hampshire Adds

#### Two Field Men in South

New Hampshire Fire has appointed Raymond L. Lewand special agent for Florida with headquarters at Daytona Beach. For six years he was with Fire Companies Adjustment Bureau in Mississippi, and more recently with General Adjustment Bureau at Daytona Beach.

R. J. Peterson has been named special agent for Alabama, with headquarters at Childersburg.

### To Inspect Okla. Schools

At a meeting of the Oklahoma public relations committee called by Chairman T. Ray Phillips, America Fore, plans were launched for inspection of schools throughout the state. A temporary committee was named with Jesse E. Murray, National Union, as chairman. A permanent committee will be selected later. Ralph Irwin, general agent Underwriters Salvage, Dallas, told of its work and C. E. Johnson, New York Underwriters, discussed business interruption insurance. More than 100 attended.

### Westerman to Local Agency

F. G. Westerman, manager of the Wayne county, Mich., department of Boston, has resigned to join the W. Burl Schmidt agency at Detroit as office manager.

Wilton H. Davis, special agent in the National Board's arson investigation division, addressed a luncheon meeting of Michigan Fire Underwriters Assn. at Detroit.

### Nilles Named as Head of Dakota Blue Goose

The annual meeting of Dakota Blue Goose at Aberdeen had 91 in attendance at the banquet including 73 members, 15 goslings and three guests.

Herbert G. Nilles, attorney, Fargo, was elected most loyal gander; Clarence Dana, Home, Sioux Falls, supervisor; Alan K. Bolton, National Fire, Fargo, welder; C. E. McLaughlin, Fire Underwriters Inspection Bureau, Sioux Falls, custodian; Ray Swanson, Home, Fargo, keeper, and E. W. Beardsley, Western Adjustment, Sioux Falls, guardian. Calvin P. Dalbey, Northwestern F. & M., Sioux Falls, retiring most loyal gander, was presented a P.M.L.G. button.

Col. Leslie Jensen, former governor of South Dakota, was the speaker of the evening and M. T. Woods, Sioux Falls attorney, toastmaster. Presentation of 25-year emblems was made by R. W. Hayward, National Fire, Sioux Falls, to N. P. Wenge, St. Paul F. & M.; Carl Gibbs, Crum & Forster; Charles Carlson and Alan Bolton.

On April 13, a five-state regional meeting will be held at Sioux City, Ia., attended by ganders from Minnesota, Iowa, Nebraska and North and South Dakota.

### Extinguishers Demonstrated

Capt. Walter Bergman, director of the training school of the St. Louis fire department, gave a demonstration before St. Louis Blue Goose showing the operating principles of hand extinguishers. He was assisted by W. B. Larkin, engineer of the Missouri Inspection Bureau, past most loyal gander.

### Farrell to Travel N. D.

Bart J. Farrell has been appointed special agent for the St. Paul companies to travel North Dakota in association with O. A. Schollander, state agent in northeastern North Dakota.

Mr. Farrell has been with the St. Paul companies 22 years in the home office, with wide experience in the various underwriting departments.

### Mich. Inspection Work

Michigan Fire Prevention Assn. will inspect Ludington March 24. R. E. Vernon, Western Actuarial Bureau, will attend.

Owosso will be inspected April 21 and Albion in May. This will be preceded by a dinner and election of officers at Jackson.

### Vanderbeck at Scranton

R. J. Vanderbeck, assistant secretary of Eastern Underwriters Assn., is addressing an evening meeting of Anthracite Field Club at Scranton, Pa., March 22 on workings of the state fire prevention association.

### New Aetna Men in O., Tenn.

Aetna Fire has sent Robert T. Johnston into the Ohio field to be associated with State Agent Norman B. Berry at Columbus. Mr. Johnston has been with Aetna at the home office since 1942 with the exception of the time that he was in the armed forces, and he has just finished the field men's

training course at the home office.

Gilbert F. Jones has been sent to Tennessee to assist State Agent George L. Frank. After attending college, Mr. Jones was in the marine corps nearly four years. He has been in the home office of Aetna for the past year. He is also a recent graduate of the field men's school.

### Two Boston Appointments

L. Dale Sheets, Lansing, formerly with Hartford Steam Boiler, has been named to handle northern Michigan territory for Boston with the title of state agent. He will work out of the Lansing office, covering the northern part of the lower peninsula and the upper peninsula. An air force war veteran, he attended Michigan State College and University of Virginia.

Joseph M. Syme, formerly with Fire Underwriters Inspection Bureau at Minneapolis, was named special agent in Minnesota under Walter Paul, Minneapolis state agent. He also is an air force veteran and a graduate of University of Minnesota.

### Tenn. Field Rallies

Tennessee Blue Goose held a dinner dance Tuesday at Nashville honoring Commissioner M. O. Allen. That afternoon an initiation was conducted. Tuesday morning there was held a public relations conference featuring talks by George C. Traver, public relations manager of the National Board, and John C. Leissler, insurance publisher of Dallas.

North Baltimore, O., will be inspected March 22. Paul Smith of American is chairman.

## MARINE

### North British Opens Marine Unit in Ohio

North British & Mercantile's country-wide inland marine and special lines department has opened a central service office at 5 East Long street, Columbus, O., with Superintendent John H. Roberts in charge. Agents in Ohio, Indiana, Kentucky and Wisconsin will clear their inland marine business through this office.

Mr. Roberts has had 22 years' insurance experience with companies and agencies. The last 18 years he has specialized in inland marine and special lines underwriting and production.

### Some Drop P.P.F. in Can.

TORONTO — Some companies handling personal property floater lines in Canada have decided to drop this coverage in view of the heavy losses sustained in recent years, according to Canadian Inland Underwriters Conference. By 1946 the experience of the companies had become disastrous, according to Wilson McLean, secretary of the conference. Forms were narrowed, rates were increased and the \$15 deductible clause was introduced. Again in 1947 premiums were upped. The full effect this increase had on 1948 operations is not yet known but there still is some doubt that they were high enough.

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix Insurance Company, Hartford, Conn. 1874

The Connecticut The Insurance Co. Hartford, Conn. 1850

FOUITABLE Fire & Marine Insurance Company PROVIDENCE, R.I. 1859

ATLANTIC FIRE INSURANCE CO. Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO. Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO. White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO. Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA Montreal, Canada



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CHICAGO Insurance Exchange

NEW YORK 110 William Street

SAN FRANCISCO 220 Montgomery Street

MONTREAL 485 McGill Street



All Forms of Fire and Property Insurance including Ocean and Inland Marine Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

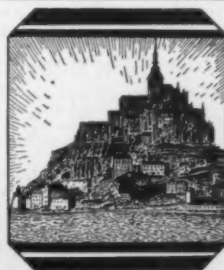
## THINGS THAT ENDURE...Through TIME...

MONT SAINT-MICHEL — French citadel once a tidal island in the Middle Ages. Later, in turn, a monastery, fortress, city and seat of Knights. A massed miracle of cloisters, dungeons and ramparts, impregnable through time. Classed as one of the World's Wonders.

The Northern Assurance was organized in Aberdeen, Scotland in 1836 as an Agency Company. It has remained so all-ways.

THE NORTHERN ASSURANCE CO. Ltd.

FIRE AND ALLIED LINES AUTOMOBILE INLAND MARINE - REPORTING FORM - FLOATER CONTRACTS NEW YORK • CHICAGO • SAN FRANCISCO



## EDITORIAL COMMENT

### Flesh and Blood Insurance

In public relations and legislative work there is a great deal that can be done in the way of impressing upon the public and the legislators the value, the importance and the irreplaceability of the insurance establishment as a going institution—the great reservoir of special knowledge and special technique that it represents, the many services that it performs entirely aside from the final action of making out loss drafts.

Such a conception of the value to the nation of the marine insurance establishment was given by Percy Chubb with fine discrimination during the conference that was held in December for the purpose of discussing the policy of economic cooperation administration in connection with insurance. At that meeting there were represented the joint committee on foreign economic cooperation, Assn. of Marine Underwriters of the U. S., and New York Insurance Brokers Assn.

"We feel that the importance of the market as a going concern does not get the attention it deserves," Mr. Chubb declared. "It means a fabric composed of a number of things. There are brokers who must have a knowledge of competitive markets and trade customs. There are underwriters who must appraise and run risks; surveyors to look at the ships; cargo inspectors to inspect the loading; average adjusters who are expert in the settlement of losses. All this cannot be built over night. It will take a number of years to rebuild it if it is destroyed.

"Our concern has been not just the loss of premiums, but our concern has been that we might break down the personnel, the organization, that is the problem we will have to cope with."

That is an excellent epitomization of the place that marine insurance occupies in the economy of the country and how it is intertwined with the successful and orderly conduct of business. In publicizing the good that the insurance industry does aside from the indemnification that

it provides, we are wont to emphasize exclusively such obviously socially desirable projects as fire loss prevention, accident prevention, etc.

Not that this should be in any way minimized, but much thought could also be given on how to bring out the value to the nation and American business of the daily unglamorous routine of the underwriter, the agent, the loss adjuster, engineers, bureaus and the other elements in the insurance scene; how all these workers with their special store of knowledge and know-how, all working in accustomed relationships with each other provide facilities, the value of which cannot be measured in terms of premiums and losses.

This would require much subtlety. It would necessitate study of the procedures of individuals in the business up and down the line to translate work-a-day matters that are handled with confidence and assurance into services and facilities that business and the public take for granted, but lacking which we would be embarrassed in our daily comings and goings.

The public appreciates the competence and necessity of experience in factory and in any tangible type of operation, but it probably thinks too much of insurance as simply a place where dollars are traded. If this were not so, there would be far less talk of self-insurance and setting up of government plans that are labeled insurance, with the idea that all that is needed in the way of manpower is a building full of clerks that can qualify under civil service. We would not have people investing their money in apparently rosy new insurance ventures that do not contemplate the creation of a staff of seasoned insurance people. We would perhaps not have ECA nonchalantly writing off U. S. marine insurance as a cost that can just as well be spared.

The flesh and blood quality of insurance can be emphasized to good advantage.

isn't bulwarked by research and reading on his part. It is only when he can support his opinions with facts that Mr. Ricks communicates with legislators.

A veteran group insurance salesman and sales executive, Mr. Ricks applies the same science and zeal to his postal participation in government that has won him success in business life. He proceeds as carefully as if he were spending thousands on a direct mailing campaign. He writes the initial letter to his direct representative in the body where the particular legislation is being introduced. A carbon is then sent to various other persons who might be interested. For instance, if he writes a direct letter to his man in the House of Representatives, a copy goes to his senators and to the chairman of the committee considering the particular bill. He maintains a list of all committee chairmen in the legislative bodies and he knows the various party leaders in his locality who may be interested in such matters.

The legislative correspondence of Mr. Ricks does not limit itself to insurance subjects, though naturally his interest is in this direction. For instance, he has become very much absorbed with arguments for and against socialized medicine. In the course of his inquiries, he has amassed a considerable library of

documents, speeches and literature on both sides of this question. His collection is so complete that it has served as a point of reference for other men interested in this subject. His letters to his representatives on this matter bring them a private citizen's opinion based on as wide a foundation of information as it would seem possible to collate.

Mr. Ricks doesn't pretend to believe that the government is ruled entirely by letters from constituents to legislators, but he does think they have a powerful influence, particularly in cases which frequently arise where legislators are genuinely puzzled over a question, appreciate a concise exposition of it and an insight into how the folks back home feel about it.

To Mr. Ricks, this activity is not only a hobby, but a duty and a privilege. There exist a number of organizations to whom such letter writing activity is a business. Unfortunately, a large number of letter writers and the associations which spur them into action represent a point of view inimical to believers in the capitalistic system. The opposition knows the value of letters to congressmen and legislative alertness and the corresponding dangers of political inertia. More citizens of caliber could well emulate Mr. Ricks.

### Underinsurance Still Is Found

Because of talk in the last few years of a tight market, many agents have not been alert to increasing amounts of fire and allied lines of average insured to a realistic accord with today's values. This is demonstrated by talking with almost any loss man. For instance, one mentioned the other day that out of 150 claims in one community that arose from a recent windstorm, the underinsurance was about 33 1/3%. Most of the risks were residences, of course, but included small businesses. The total of

the sound value of the 150 claims was one-third more than the adjusted loss total. Thus, on the average, the 510 risks were insured to only two-thirds of the sound value.

There is no comfort to an individual property owner who suffers a partially uninsured loss in the fact that on the average the insurance to value has been immensely improved in recent years. There is as yet no federal government fund to accommodate citizens who are short on private insurance.

## PERSONAL SIDE OF THE BUSINESS

**J. Lester Van Name**, president of Despard & Co., New York insurance brokers, was awarded the 1949 Scarsdale bowl in recognition of his outstanding service to the community. He is executive chairman of the Scarsdale community fund and war chest.

Two prominent St. Paul insurance executives have been elected directors of St. Paul Assn. They are **A. B. Jackson**, president of St. Paul Fire & Marine, and **Norman H. Nelson**, vice-president of Minnesota Mutual Life.

**Flavel P. Girdner**, Chillicothe, Mo., local agent, has been elected president of the chamber of commerce there.

**Russell D. Hobbs**, manager of West-

ern Actuarial Bureau, Chicago, and Mrs. Hobbs have been vacationing in Guatemala.

**George Seyfried**, loss adjuster of Marsh & McLennan, New York City, leaves next week for a month's winter vacation at Miami.

**R. J. Neckerman**, founder of the 34-year-old Madison local agency bearing his name, has retired as agency president but will remain as a director. His retirement results from ill health. He is now resting in Florida and will return to Madison next month. He is succeeded as president by Arthur C. Anderson, former vice-president, who has been with the agency for 17 years.

### Mr. Ricks Goes to Washington (Via Mail)

Ivan Ricks, manager of the western field division for the Equitable Society group department, is a busy man this year. He has long subscribed to the theory that only through the continuous participation of the private citizen can government be successful. Refreshingly, he is a man who backs up his theory with practice. A good portion of his spare time is devoted to reading

and research on politics and economics. He crystallizes his own views and then makes it a regular practice to write his representatives in Congress and in the state legislature whenever he feels his views are strong enough.

Strong views to Mr. Ricks mean those which have been strengthened by considerable study. Mr. Ricks does not depend upon a personal conviction that

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ciate Manager; George E. Wohlgenuth, News Editor; Arthur W. Riggs, Statistician.

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The new vice-president is Mr. Necker-  
man's son, George M. Neckerman, who  
has been with the firm for 12 years, in-  
cluding time out for war service. He  
has been treasurer. Robert E. Grady,  
former secretary, becomes secretary-  
treasurer.

Walter B. Cruttenden, who has re-  
sided as chairman of Springfield F. & M.

due to the con-  
dition of his health,  
started with that  
company in 1912 as  
special agent. In  
1919 he was elect-  
ed assistant secre-  
tary and he became  
vice-president in  
1924. He went to  
the presidency in  
1940 upon the death  
of George G. Bulk-  
ley and in 1946 he  
was made chair-  
man, the first man  
in the history of  
the group to hold this office.



W. B. Cruttenden

At this time, the office of chairman  
is being discontinued and President W.  
A. Hebert becomes the chief executive.  
Mr. Cruttenden is a director of Third  
National Bank & Trust Co. of Spring-  
field, a trustee of Board of Investment  
of Springfield Institution for Savings,  
director of Springfield Street Railway  
Co., director of Van Norman Co., di-  
rector of Holyoke Water Power Co. and  
Holyoke Power & Electric Co., and a  
trustee of Springfield Hospital. He is  
a member of the conference committee  
of the National Board, trustee of American  
Foreign Insurance Assn., director of  
Aia Finance Corp., Underwriters Sal-  
vage Co., of New York, General Ad-  
justment Bureau, and National Board  
Building Corp.

Mr. and Mrs. G. Carlton Hill of Cin-  
cinnati have announced the engagement  
of their daughter, Margery to Glen C.  
Webb, Jr., Lima, O. Mr. Webb is secre-  
tary of the Webb Insurance Agency  
there. Miss Hill is a graduate of Hills-  
dale school and Bradford junior college,  
and is now a senior at Denison Univer-  
sity. Mr. Webb graduated from Castle  
Heights Military academy, Purdue, and  
Harvard business school. The marriage  
will take place in September.

## DEATHS

Dennis D. McLarry, 69, retired Texas  
general agent for Home, died at Dallas,  
following a stroke. Born in Dalton,  
Ky., he went to Texas with his parents



DENNIS D. McLARRY

in 1882. After attending Grayson Col-  
lege at Whitewright, Tex., he taught  
school a short time and then started a  
local agency. He went to Dallas in  
1907 as special agent for Commercial  
Union and later joined Home. He re-  
tired in 1937. He was instrumental in  
putting the first insurance laws in Texas

on the books. His son, Richard H.  
McLarry, Dallas local agent, is a past  
president of both Dallas and Texas  
Assns. of Insurance Agents.

Leon A. Sparks, local agent of Eu-  
faula, Ala., a brother of Chauncy Sparks,  
former governor of Alabama, was killed  
in an automobile accident near Nashville.

Vernon C. Decker, 55, who had been  
an agent at Paw Paw, Mich., for many  
years, died at Fort Myers Hospital, Fort  
Myers, Fla. Mr. and Mrs. Decker  
reached Florida early in December in  
the hopes of securing rest and medi-  
cal attention following a serious illness  
of last summer.

Hane C. Johnson, Sioux Falls local  
agent, died very suddenly at his home.  
He started his insurance career with  
Continental and Aetna Fire in South  
Dakota. Later he became associated  
with the Queen City agency at Sioux  
Falls and later operated his own local  
agency until his death.

Charles G. Houghton of Irvington,  
N. J., special agent of Northern Assur-  
ance, and his wife, were killed in an  
automobile crash near Beaufort, S. C.  
They were on their way to Florida for  
a vacation. Mr. Houghton had been with  
Northern Assurance for 41 years, start-  
ing as an office boy.

J. A. Steltenkamp, 57, local agent at  
Covington, Ky., died after a long illness.  
He served as deputy state auditor of  
Kentucky 1920-1924 and at one time was  
with the insurance department as super-  
intendent of rates. He has two brothers-  
in-law in the insurance business, R. Clif-  
ford Dessen, Covington, and Walter G.  
Reemelin, Cincinnati.

J. Maurice Wheeler, 70, head of the  
Wheeler Insurance Saginaw, Mich, local  
agency since 1910, died there. He had  
been a Saginaw area resident for 45  
years.

Andrew S. Arbury, 83, president of  
A. S. Arbury & Sons agency, Midland,  
Mich., died here. The agency will be  
carried on by his sons, Howard and  
Ned.

Lloyd Nickerson, special agent at  
Fresno for General Agencies of New  
York, died following an operation nec-  
essitated by injuries suffered in the  
second war. Only a few days later, his  
father, G. F. Nickerson, 72, retired  
northwest territory superintendent for  
Northwestern National, died at Sacra-  
mento. G. F. Nickerson retired in 1929.

Lloyd Nickerson for many years cov-  
ered the northwest field for Glens Falls  
and prior to the war was with the  
Gould & Gould general agency at  
Seattle.

A brother, Ted, is agency superin-  
tendent of the Pacific department for  
Providence Washington.

Roy M. Wolf, 62, who had been in  
charge of the lumber business of Lum-  
bermen's Mutual at Pittsburgh for 40  
years, is dead.

## Oppose Hoover Planks

WASHINGTON—Casualty and sur-  
ety interests are understood opposed  
to certain features of the Hoover com-  
mission plan for government reorgani-  
zation. These features include the rec-  
ommendation for a government bonding  
fund and for transfer of the bureau  
of employees compensation from the fed-  
eral security agency to the Department  
of Labor.

Under Labor, industry observers fear,  
administration of the compensation bu-  
reau might be colored by an anti-em-  
ployer, anti-insurance company bias.

## Name M. T. Polk in Tenn.

Home has appointed Marshall T.  
Polk special agent at Nashville.

## Cost Solution in Ind.

INDIANAPOLIS—Adoption by the  
Indiana legislature of the Gallagher  
plan for taxing costs against traffic of-  
fenders eliminates further assessments  
for upkeep of safety responsibility de-  
partment by insurers. They will save  
insurers several hundred thousand  
yearly.

## R. I. Agents Name Hughes Secretary

George C. Hughes on April 1 will join  
Rhode Island Assn. of Insurance Agents  
as executive secretary and will also be-  
come secretary-treasurer of Rhode Is-  
land Assn. of Insurance Agents, Inc.,  
the corporation formed to underwrite  
and service fire insurance on the state  
property.

Mr. Hughes for 26 years has been  
with New England Fire Rating Assn.  
and its predecessor, New England In-  
surance Exchange. He started as a  
clerk and was appointed inspector in  
1930, traveling Vermont and Rhode  
Island. He was transferred to the  
Rhode Island office in 1933.

## Ruffing Describes Law Prospects at Cincinnati

CINCINNATI—Oscar Ruffing, Col-  
umbus manager of Travelers and cas-  
ualty vice-president Insurance Federa-  
tion of Ohio, reviewed pending legisla-  
tion in Ohio at the meeting of Cin-  
cinnati Casualty & Surety Managers Assn.  
He was introduced by E. H. Schier,  
manager American Surety.

A. L. Pither, Chicago, midwest super-  
visor of American Foreign, will speak  
April 12.

## American Promotes Forrester

Chester B. Forrester has been named  
agency superintendent in the Pacific  
department of American. For the past  
three years Mr. Forrester has been  
special agent in the northern California  
territory.

Gardner F. Girdler has been named  
special agent in the Sacramento field.  
He has had local agency experience and  
more recently has been in the San Fran-  
cisco office of American.

## Ambrose Ga. State Agent

Northern Assurance has named J. D.  
Ambrose state agent in Georgia suc-  
ceeding J. H. Atkins, who died last  
month.

## Profit Parley April 7-8

Superintendent Dineen of New York  
has called a meeting of the subcommit-  
tee on underwriting profit of National  
Assn. of Insurance Commissioners at  
the New York department April 7-8.  
Allyn, Connecticut, Harrington, Massa-  
chusetts, and Malone, Pennsylvania, are  
the other committeemen.

## Time Rally at Eau Claire

Basic accident and health coverages  
and the current socialized medicine prob-  
lem were discussed by S. L. Horman,  
Milwaukee, executive vice-president of  
Time of Milwaukee at a meeting of  
about 30 agents of that company at Eau  
Claire.

## Addition to William

A new 21-story building in the New  
York insurance district of William  
street is scheduled for completion in the  
spring of 1951. Address of the new  
building will be 161 William street. It  
will adjoin the building of Aetna Life  
in New York, and will be diagonally  
across from the Royal building. Builder  
and owner will be Samuel Friedenberg,

Emerson H. West-  
Wick the new field  
representative of As-  
sociation of Casu-  
alty & Surety Com-  
panies at Chicago,  
has plans to use Illi-  
nois as a "guinea  
pig" in experiments  
for the improvement  
of driver education,  
both on the school-  
age and adult levels.



who is also builder and owner of the  
28-story office building at 90 John  
street. Rental arrangements will be  
handled by Norman Wills of Brown,  
Harris, Stevens, Inc., real estate brok-  
ers, 67 Wall street.

## Ind. Directorate Bill Signed

Governor Schricker has signed a bill  
that permits insurers to have interlock-  
ing directorates unless such directorate  
substantially lessens competition or  
tends to create a monopoly. It does not  
affect persons now serving as directors  
of two or more companies.

## Fla. Rate Increase Asked

A hearing has been scheduled for  
April 7 by the Florida department on  
the new scale of workmen's compensa-  
tion rates. National Council on Com-  
pensation Insurance has recommended  
an average increase of 2%.

## Buyers Hear Whittaker

Edmund B. Whittaker, vice-presi-  
dent of Prudential, will speak on state  
disability laws and current problems of  
hospitalization insurance at the March  
24 meeting of Risk Research Institute at  
New York.

## Correct West Bend Surplus

Surplus of West Bend Mutual Fire of  
Wisconsin, in the March 3 issue, was  
shown incorrectly. Surplus to policy-  
holders of that company is \$537,297.

## Nat'l Retailers Correction

In reporting the surplus to policy-  
holders of National Retailers Mutual  
in the March 10 edition the figure for  
guaranty fund inadvertently was not  
included. Surplus to policyholders in-  
cluding guaranty fund of \$500,000 is  
\$1,250,000.

G. R. Mordo, state agent Milwaukee  
Mechanics, appeared before the Elks  
Club at Jackson, Mich., to show the  
films "Before The Alarm" and "Crimes  
Of Carelessness."

## WANT ADS

### OPPORTUNITY

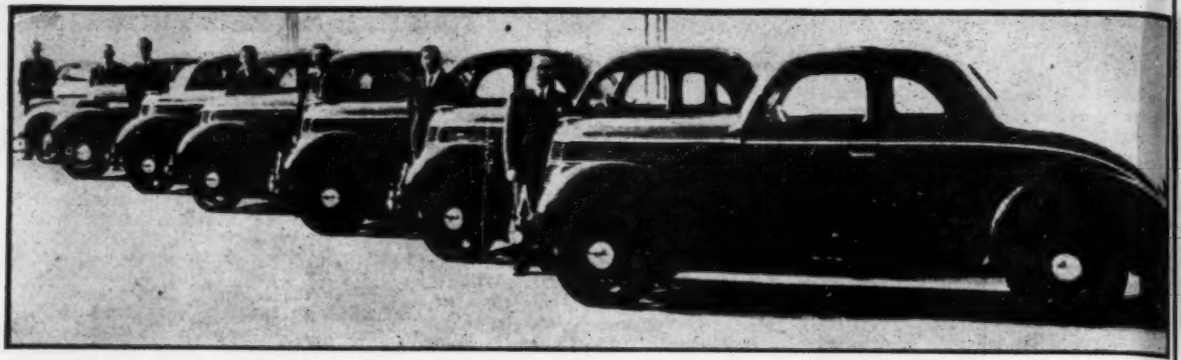
A prominent fire insurance  
company desires the serv-  
ices of a proof examiner,  
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and ask for personnel man-  
ager or write to Box T-78,  
care The National Under-  
writer, 175 W. Jackson,  
Chicago 4, Ill.

### WANTED

#### ACCIDENT AND HEALTH AGENCY

Experienced and responsible party wants  
to acquire either general agency or good direct  
production agency, preferably south or middle  
west. Address T-77, care The National Under-  
writer, 175 W. Jackson Blvd., Chicago 4, Ill.

"Field position in Southern territory for a fire  
company by a man with twenty years fire,  
inland marine and automobile experience. Pre-  
fer Virginia-Carolinas field." Address T-88,  
The National Underwriter, 175 W. Jackson  
Blvd., Chicago 4, Illinois.



"Recognition  
merited by  
Our Service"

## "A FLEET OF INSURANCE"

The American Glass Company maintains a combined fleet of fast, modern trucks and automobiles as an important factor in its reliable and speedy service to your plate glass insurance clients in and near Chicago. All of these vehicles are manned by men with complete plate glass experience.

Because we have concentrated our efforts to help insurance men keep plate glass insurance sold, we understand the *Real Service* so necessary to your assured. Replacements are made a few hours after the insurance company is notified of the loss. We install windows with the least inconvenience to your assured.

We recognize the fact that insurance companies today are the largest buyers of plate glass store fronts and that they do not shop around for *Low Bids*, but rather for immediate replacements by a responsible organization.

BENJAMIN BERIS, *President*

*Our outstanding leadership  
in the Chicago plate glass re-  
placement field is proof of our  
reliability and speedy service.*

*A call will convince you.*

**American Glass Company**  
1030-42 NORTH BRANCH STREET • CHICAGO

**TELEPHONE MOhawk 4-1100**

*Members of the Chicago Association of Commerce*

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## Navy and Highway Interests Praise Surety Service

### High Compliments Given by Speakers to Surety Bond Producers

NEW YORK—An annual highway construction expenditure of \$3 billion for the next 20 years will be required to modernize the nation's highway system, according to Charles M. Upham, executive director of American Road Builders Assn. of Washington, who addressed the annual meeting of National Assn. of Surety Bond Producers at New York this week. The speaker said that the surety companies are essential partners in the highway contracting industry, not only in providing financial stability but by raising construction standards. They are playing a great part in the highway construction program, he declared.

With the rapid increase in highway use and a population increase of 17 million since 1940, curtailment of highway construction jeopardizes the nation's production line. The highway plant is not geared to the needs of a nation in which economic conditions have radically changed. The uptrend in construction expenditures established in 1946 and 1947 is not holding, and as a result the 1949 total will be considerably below the \$2 billion mark which would have been reached had the early rate of increase been maintained.

### New Era Is Required

Highway construction is still on a piece-meal basis while the use of the highway is skyrocketing. The new era in highway transportation calls for a new era in highway construction.

The navy bureau of yards and docks is bond-conscious by law and by preference, the surety men were told by Capt. J. F. Jelley, deputy chief of the bureau. The bureau operates under the Miller act which requires that all public work contracts over \$2,000 have a 90% payment bond and a performance bond deemed adequate by the contracting officer. "We now require a 100% performance bond," he emphasized.

The bureau is also bonding-company minded, he said. It has had a few unfortunate experiences with individual sureties. For example, the little operator who forms a \$500 corporation and then offers himself and his wife as sureties on bond. He may submit a statement of collateral that includes lots in Miami, perhaps below water, stock in Australian gold mines, etc. The bureau doesn't have the organization or personnel to analyze collateral, or to maintain deposit and escrow facilities. The bureau started to prohibit individual sureties but soon discovered that this was slightly illegal so now restrictions are imposed such as requiring the deposit of collateral which is to remain with the government one year after the project is finished.

### Bid Bond Problem

The bureau is more or less required to accept any bid that is offered, so the bureau depends on the surety companies to investigate the contractors that they bond. If the contractor can get a bond, the bureau takes his bid. He said recently a bid bond had been

(CONTINUED ON PAGE 37)

## Wash. Governor Has UCD Bill; N. Y. Plan Unveiled

### First State to Start Without "Kitty" Enacts Legislation

The Washington legislature has passed and sent to the governor a California-type cash sickness benefit bill. Like the California law the Washington bill permits substitution of private insurance for state fund coverage but unfortunately it also follows the California pattern in putting the 1% tax entirely on the employees. Where the employer pays part of the tax or premium, as in New Jersey, he has an interest in keeping malingering and faking to a minimum.

If signed by the governor, and there appears to be no doubt it will be, the measure will be the first to be enacted without the benefit of a backlog of funds built up over the years by employee contributions to the state's unemployment compensation system. California, for example, had a \$306 million kitty to start with but Washington will have only what it can build up between July 1, when taxes start, and Jan. 1, 1950, when benefits become payable, plus \$30,000 special appropriation, which must be repaid by July 1, 1950.

If the present trend in employment continues the plan will have the further handicap of starting off at a much less favorable level of employment than the California plan enjoyed at its inception and may be plagued by a much greater tendency among employees to report sick whether they are or not.

The 1% tax on employees would be on the first \$3,000 of annual wages. Employees are not liable for taxes if covered by private plans conforming to prescribed standards. It is understood that such abatement of taxes is effective immediately upon coverage under a private plan, including any period of coverage prior to Jan. 1, 1950, when the initial state fund is being built up.

Benefits extend for 26 weeks per benefit year at unemployment compensation rates, with a minimum weekly benefit of \$10 and a maximum of \$25. With minor exceptions, a seven-day waiting period for each disability is provided.

### Continues During Unemployment

Eligibility for benefits continues during periods of unemployment so long as the employee has wage credits in his base year. Private plans are to be assessed, without limit, for sick benefits paid through the state fund to unemployed individuals, according to base period wages. In the event of termination of a private plan prior to Dec. 31, 1951, a three months' free extension of benefits must be provided.

Approval is withheld from private plans which will "result in a substantial selection of risk adverse to the disability compensation fund."

If a person is also covered under the workmen's compensation act or any federal compensation law, no benefits are allowed under the UCD law. It is provided that the workmen's compensation fund shall reimburse the disability compensation fund to the extent of payment from the disability fund. If there is a private plan, the private insurer is subrogated to such rights as an individual has under the workmen's compensation act.

A further provision is that the general fund of the state is not obligated to pay claims in the event of insolvency of the disability compensation fund.

A provision that the employer could

(CONTINUED ON PAGE 37)

### New, Simplified Approach in Empire State Uses Workmen's Compensation Setup

NEW YORK—The New York version of cash sickness and disability benefits legislation, as announced by the joint legislative committee on labor and industry, is expected to encounter strong opposition from some labor groups leaving doubt as to its chances of passage. It authorizes private companies to write the coverage in competition with the state fund and involves a new approach to the problem as it is tied in with workmen's compensation coverage rather than unemployment insurance.

The bill goes to both houses as a Republican measure rather than a bipartisan bill because the Democratic minority refused to go along with the committee's method of financing. If all Democrats adopt the position of the committee the defection of three Republicans in the senate could block any action at this session. Observers predict, however, that the unions will make a show of opposition to the bill and then accept it rather than risk not having any legislation passed at all.

Action on the bill is expected before March 26 when the legislative session is expected to adjourn for the year.

### To Start July 1, 1950

The measure provides benefits from \$10 to \$26 a week depending on wages for a maximum of 13 weeks in any one year to those covered under the bill if they become ill while employed or while receiving unemployment insurance benefits. The first of the benefits would not be payable before July 1, 1950. No one may collect under the proposed law while receiving either workmen's compensation or unemployment insurance.

The bill provides for wage deductions of 1/4 of 1% but not more than 30 cents a week from all employees. All costs in excess of this contribution will be met by employers, and it is estimated the cost to employers will be about the same as what the employee pays. Coverage may be purchased from the state fund or from companies licensed to write A. & H. business in the state, or the self insurance route may be used. Employers of four or more persons are subject to the bill except for religious, charitable and educational institutions and farmers, and state and political subdivisions. Employers of less than four persons and exempted employers can elect to bring their employees under the law by voluntary action. The bill provides for a waiting period of one week. Differing from other states where the legislation has been enacted, the plan in New York state will be administered by the Workmen's Compensation Board.

### 13 Week Payments

Though other states provide for benefit payments for as long as 26 weeks the 13 week limitation is not considered as halving the protection since few illnesses last that long.

The legislation is expected to cover an estimated six million workers with premiums to approach \$100 million annually.

Existing plans will be allowed to continue although they will undoubtedly be expected at least to equal the minimum benefits provided for in the bill.

A special fund for paying benefits to unemployed persons who become ill will be created by contributions up to a maximum of six cents per week by each employer and employee from Jan.

(CONTINUED ON PAGE 38)

## Pattern of Consistency Needed in Rating Systems

### Cahill Stresses Need for Harmonizing Plans to Avoid "Monstrosities"

BALTIMORE—James M. Cahill, secretary of National Bureau of Casualty Underwriters, in addressing the eastern territorial conference of National Assn. of Insurance Agents here, remarked that the state by state approach in the development of adequate systems of rating plans for liability insurance may lead to many complications unless some pattern of consistency in premium discounts and retrospective rating value is adhered to. Although rate regulation and consultation with producers groups are on the local level, it is essential that all hands keep an eye on the nationwide picture at all times. Otherwise such monstrosities will be created in rating procedures that neither companies nor producers will be able to understand how to rate risks and insured will be most unhappy about the manner in which their insurance is being handled.

Competition is on the increase and from now on the stock companies and their producers will need all of the rating tools possible to hold and acquire an adequate volume of desirable business.

### Gradation of Expenses

Some agents, particularly those who do not have any risks in the size groups affected, are opposed to gradation of expenses. Generally speaking, the producers who actually handle large risks realize the need for graded expense programs if proper premiums are to be produced for the larger risks and more often than not, these producers support such programs in principle. They realize that with such programs they will be in a position to continue to write and handle large risks, whereas without them in states subject to rigidity in rating procedures, they would be forced into a difficult competitive position and ultimately might lose such accounts.

Mr. Cahill also emphasized that Mutual Casualty Insurance Rating Bureau has premium discounts and optional retrospective rating plans for liability insurance in almost all rate regulated states where it functions. The main exceptions are Louisiana for automobile and general liability, and New Hampshire, North Carolina and Virginia for automobile liability. In these states, these lines have been subject to rate regulation for many years, there is uniformity in rates and the state authorities expect the National Bureau and the mutual bureau to cooperate in the development of rate proposals based on combined experience. The mutual bureau desires to make graded expense filings in these states similar to those presently in effect in New York and other states.

### Truing Up Rate Levels

Indicating what the bureau is doing in the way of truing up manual and classification rate levels, he said the bureau has just completed a review of the O. L. & T. B. I. liability experience for policy year 1946 for classifications rated on an area and frontage basis and

(CONTINUED ON PAGE 38)

## Greet Travelers Chiefs at Chicago

Some very tough and unreasonable treatment of life insurance companies, and even some "witch hunting" by the U. S. government may occur in the movement to put the life insurance companies under fire, Jesse W. Randall, president of Travelers told a large gathering of agents and brokers associated with the Chicago branch office Monday.

Mr. Randall expects the McCarran-Celler investigation to get under way before the end of 1949. He explained it is founded on the fact that some companies have grown quite large.

"However, I can't see why size should be a cause for investigation," he commented. "There is no reason why they should not be permitted to grow."

"I think this country is as great as it is very much because of the services which insurance has rendered. Industry has grown and prospered because the casualty and fire insurance companies by their protection have permitted it to go ahead; have guarded against unforeseen hazards."

Mr. Randall noted the casualty business had made great strides in the last few years; life insurance has not gained in the same proportion, but group insurance has done very well.

Esmond Ewing, executive vice-president, gave some figures from the 1948 annual statement and noted that President Randall is in his 45th year in the insurance business and with Travelers.

Benjamin H. Groves, Travelers' life manager at Chicago, presented results of a 10-day "49'ers" sales drive honoring the two home office officials, in which 85 men produced 88 life applications for total volume of \$754,000 and 136 accident applications with \$4,225 premium total.

The life leader was O. A. Davison with six applications for \$55,500 and the accident leader, Henry Seifer with \$385 in premiums. Only production of the branch was included.

At a dinner Monday tendered by Travelers to the Rockwood Co. general agency for distinguished casualty production last year, both home office men spoke. W. Carter Butler, president of Rockwood Co., presided. Mr. Randall presented a 30-year plaque to James E. Rowland, veteran broker of the agency. A cocktail hour preceded dinner.

Mr. Randall and Mr. Ewing went on to Peoria where they addressed a meeting of the C. E. Lindstrom branch Tuesday. Mr. Ewing then proceeded to French Lick, Ind., for a few days' relaxation.

## Probe Claim Delay in Ind.

INDIANAPOLIS — Governor Schriker has signed a bill that appropriates \$12,000 for the insurance commissioner to investigate insurers that purposely delay settlement of claims.

## Vote Auto Rate Probe in Ill.

The Illinois senate by a voice vote adopted a senate resolution to investigate automobile insurance rates. The authors of the resolution are R. V. Libonati and Frank Ryan of Chicago. Under the resolution there will be appointed seven senators to investigate "the unusually high, excessive and unreasonable motor vehicle insurance rates now being charged and to determine the reason if any exists for these premiums."

The committee's report must be filed by June 1, together with any recommendations for legislation that may be made.

## New Householder's Floater

United Mutual Fire has brought out a householder's floater policy on a named hazard contents basis. There is no deductible and all property which can be scheduled specifically for all risk protection under any inland marine policy also can be covered for all risks under the householder's floater.

A similar resolution was introduced in the 1947 legislature but nothing came of it. It is believed that the new Illinois insurance department administration took no position on this resolution.

The companies express no alarm about this investigation. Auto rates have been regulated since 1937 in Illinois and the investigation would probably deal more with insurance department procedure in connection with rate filings than with insurance company practices.

## Long Haul Market Eases

The absence of complaints in recent months about the paucity of the market for long haul trucking insurance seems to indicate that the objective of the N.A.I.A. long haul trucking research committee has been accomplished, according to a report of that committee to the executive committee of N.A.I.A. Chairman of the truck committee is W. S. Attridge of Boston.

In recent months, Mr. Attridge said his committee has found no situation of distressed trucking accounts due to lack of satisfactory underwriting markets. The companies have told the committee that they are receiving with more favor, offerings of truck risks and that this business is being properly serviced.

The committee invites word from anyone who has a complaint about the consideration that he receives from insurance companies so that an investigation can be made and steps taken to correct the fault.

The committee still feels that the practical solution, and one that is feasible of accomplishment, is to create an organization to provide loss prevention and claim service to the trucking industry. This would be for the benefit of those companies that are not presently equipped to provide such service. The committee feels that the conservation bureau of Assn. of Casualty & Surety Companies is the vehicle to use in this connection.

Mr. Attridge expressed the belief that the attention of company executives has been intently and sympathetically focused on trucking insurance problems and that present offerings are receiving a more favorable reception than in the past.

The insurance rating bureaus are now analyzing rating methods to determine if inequities exist and to take any corrective measures that may be indicated.

## To Hear Ohio U. Man

Prof. W. Hayes Yeager, chairman of the department of speech of Ohio State University, will address Ohio Assn. of Casualty & Surety Managers at Columbus March 22. He is assisting the association to organize a speakers bureau.

## Atchley Heads Safety Men

F. C. Atchley of Aetna Casualty was elected president of Society of Casualty Safety Engineers of Chicago at the annual meeting. First vice-president is M. V. Woodward, Employers Mutual Liability; second vice-president H. E. Gibson, New Amsterdam Casualty; third vice-president, L. A. Tofferi, Phoenix-London; secretary I. L. Stone, Casualty Mutual, and treasurer M. J. Babusa, Loyalty group. New directors are H. V. Brown, New Amsterdam; P. A. Martins, Continental Casualty, and P. B. Webster, St. Paul-Mercury.

## Sterling Offers Chevrolet

In a three-month anniversary drive for new business, Sterling offers as a first prize to agents, a new Chevrolet and other prizes including a diamond ring, silver service and watches. Cash prizes are offered for shorter periods during the contest.

## Compulsory Auto Cover Bill in N. H.

The New Hampshire insurance department is now prepared to introduce its new program of compulsory automobile insurance. The plan has been drafted by S. M. Sheldon, deputy insurance commissioner.

New Hampshire was the first state to enact the modern type of auto financial responsibility law, and now the department is campaigning for an outright compulsory plan on the basis of requiring each operator to show proof of financial responsibility before an operator's license is issued to him, and every owner of a car to show proof of such responsibility before he gets his registration plate.

Under this plan, for a private passenger car, the financial responsibility shown for the purpose of obtaining an operator's license would be sufficient. For the owner of a commercial motor vehicle, separate proof would have to be shown.

Coupled with this program is a bill to make negligence of the operator of a commercial car attributable to the owner of a vehicle and to make separate owners of commercial vehicles jointly liable for the negligence of the operator.

## Pin-Point Approach in Name Getting Is Best

New York Assn. of A. & H. Underwriters was selected at the March meeting as the official title of the New York City organization.

John F. James, Monarch Life, in speaking on prospecting, counseled agents to be specific in asking for names such as that of the prospect's brother, doctor, etc. Don't accept long lists of club memberships, unless the prospect will mark off four or five of the better names, he cautioned.

Show the prospect the income problem he would have if he were injured, Samuel Farber, U. S. Life, said, and then ask him how much he thinks it will cost for an accident policy to cover him. Usually the prospect thinks it will cost twice the premium, he said, and when you tell him what it really is he is more apt to buy.

## Only Thinks He's Covered

Don't give up when the prospect tells you that he already has an accident policy, Dewitt Stern, Fireman's Fund Indemnity, association president, said. He may have double indemnity, or waiver of premium, but he usually doesn't have accident protection. Find out exactly what he has and then show him what he needs. Too many people think hospitalization protection is accident protection, he said. Don't tell the prospect that the protection he has is no good, he advised, nor that his company or policy is bad. Show him that either he doesn't have any protection at all or that he doesn't have enough and supplement it with your contract, he advised.

In selling prospects who are financially well off, point out to them that they pay no more for their medical reimbursement protection even though they use \$25 a visit doctors than does the person who goes to a \$5 fee physician. Subject to the limit of the policy, of course, the prospect can visit any physician he desires. In quoting the premium charge, break it down on a per diem basis comparing it to what the prospect pays for non-essentials such as cigarettes or liquor. When he sees the comparison he is apt to buy.

Build yourself a permanent annuity through accident and health sales, Saul Kornreich counseled. He pointed out that he now has almost \$50,000 in A. & H. premiums on his books from which he gets 30% commission, giving him an income of almost \$15,000 a year. The way to sell, he said, is to be sold yourself.

## Multiple Line Bill In Ohio

COLUMBUS—Hearings on the multiple line bill in the Ohio legislature are scheduled for next week. This has the backing of the department and so far no serious opposition has developed.

The bill is complicated in language, because it amends a number of old and conflicting statutes, some applying to stock carriers, some to mutuals and some to both. The effect of the bill is to set up a number of classes of insurance, other than life, with a minimum combined capital and surplus for each class. A carrier, stock or mutual, meeting maximum requirements would be empowered to write all lines except life. A number of provisions in the bill correct inconsistencies in the present law.

An anti-coercion bill, modeled to some extent on the present New York law, also has so far developed no opposition. Many insurance men regard this as a desirable substitute for the bill aimed at restraining automobile dealers from acting as insurance agents, which has passed the lower house. The proposed anti-coercion law goes a step farther than the New York bill and provides for suspension of license in case of attempts to coerce insurance as a tie-in with the sale of property, in addition to financing and other matters. It is aimed primarily at automobile dealers but its language could be applied to coercion under other circumstances.

The bill amending the valued policy law has been revised in line with the recent Missouri decision, which held that a valued policy law requires the company to pay the face amount of the policy in case of a total loss, even though the interest of the insured was less than complete. The original Ohio proposal permitted the insurance company to settle for the actual cash value of the property at the time of loss, subject to pro rata refund of premium if the property turned out to be over-insured. The amendment would also permit restriction to the interest of the insured.

## Industry Fights N. C. Bill

RALEIGH, N. C.—After representatives of insurance companies protested that it would mean an increase in auto liability rates, the house judiciary committee of the North Carolina legislature referred to subcommittee a bill which would make it mandatory for the commissioner on request to assign risks to insurance companies under the financial responsibility act. The bill would prevent the companies from charging higher premiums to persons whose licenses have been revoked because of a single offense.

Appearing to oppose the bill were John Hinsdale, Raleigh attorney representing the American Mutual Alliance; S. G. Otstot, executive secretary of North Carolina Assn. of Insurance Agents, and Charles Young, representing Association of Casualty & Surety Companies.

## Wash. Bills Lose Out

Two survivorship of action bills, which had previously passed the house, died in the Washington senate in the closing days of the 1949 session.

Backers of the bill "scalped" another measure having to do with rights of heirs, and attached a provision permitting actions to be brought against the estates of tortfeasors, but this was finally defeated.

The proponents, as was done on the house side, pointed to the recent plane crash in Seattle in which a number of Yale students were killed. The owner of the plane died in the crash and as a result the action by the heirs was abated.

John Scanlon, Indiana manager of Ohio Casualty, is addressing a dinner meeting March 17 of South Bend-Mishawaka Assn. of Insurance Agents at South Bend on automobile underwriting.



# Condensed Annual Statements of the Aetna Life Affiliated Companies

December 31, 1948

Hartford, Connecticut

## Aetna Life Insurance Company

Assets		\$ 1,499,817,023.90
Liabilities		1,385,595,013.68
Contingency reserve	\$ 41,000,000.00	
Capital	15,000,000.00	
Surplus	<u>58,222,010.22</u>	\$ 114,222,010.22

## Aetna Casualty & Surety Company

Assets		\$ 148,842,015.91
Liabilities		108,105,780.05
Contingency reserve	\$ 3,600,000.00	
Capital	6,000,000.00	
Surplus	<u>31,136,235.86</u>	\$ 40,736,235.86

## Automobile Insurance Company

Assets		\$ 59,120,691.35
Liabilities		40,482,754.56
Contingency reserve	\$ 2,100,000.00	
Capital	5,000,000.00	
Surplus	<u>11,537,936.79</u>	\$ 18,637,936.79

## Standard Fire Insurance Company

Assets		\$ 11,819,695.22
Liabilities		7,476,741.65
Contingency reserve	\$ 350,000.00	
Capital	1,000,000.00	
Surplus	<u>2,992,953.57</u>	\$ 4,342,953.57

Total premium income—all companies—1948	\$ 385,936,517.72
Paid to or for policyholders since organization	3,033,223,039.95
Life Insurance in force December 31, 1948	7,682,601,807.00
Increase in life insurance in force during 1948	697,019,728.00

The condensed statements, shown above, clearly indicate the strong financial position of the Aetna Life Affiliated Companies. They provide convincing evidence of the sound growth and successful operation of these companies during the past year and the years preceding in all the major fields of insurance—Life, Casualty, Fire

and Marine. They afford assurance of ample capital, surplus and reserves to meet any test in the years ahead. They testify to the loyalty, cooperation and untiring efforts of the Companies' thousands of agents and employees throughout the country. If a more complete report is desired, this will be gladly sent on request.



LIFE AND CASUALTY

FIRE AND MARINE

AETNA LIFE INSURANCE COMPANY AETNA CASUALTY & SURETY COMPANY AUTOMOBILE INSURANCE COMPANY STANDARD FIRE INSURANCE COMPANY

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## CASUALTY NET PREMIUMS AND PAID LOSSES IN 1948 IN CALIFORNIA

	Total Prema. and Losses	Auto. Liab. Prema. and Losses	Other Liab. Prema. and Losses	Work. Comp. Prema. and Losses	Fidel. Prema. and Losses	Surety Prema. and Losses	Plate Glass Prema. and Losses	Burg. Theft Prema. and Losses	P. D. Coll. Prema. and Losses		Total Prema. and Losses	Auto. Liab. Prema. and Losses	Other Liab. Prema. and Losses	Work. Comp. Prema. and Losses	Fidel. Prema. and Losses	Surety Prema. and Losses	Plate Glass Prema. and Losses	Burg. Theft Prema. and Losses	P. D. Coll. Prema. and Losses
Acc. & Cas.	80,453	27,050	6,609	11,777	1,275	720	729	1,151	17,419	Liberty Mut.	4,375,172	790,816	245,534	2,181,239	46,054	9,834	58,970	687,004	
Aetna Cas.	4,490,603	1,489,799	654,456	671,788	185,819	272,107	66,140	251,184	872,291	Lon. & Lan. Ind.	3,060,518	310,634	113,892	1,123,393	14,596	3,378	16,161	299,481	
Aetna Life	5,245,201									London Guar.	212,451	74,624	102,229	22,397	1,432	7,903	11,952	81,517	
Allied Comp.	497,729									Lumb. M. C., Ill.	1,137,399	411,736	162,786	132,737	17,782	25,862	63,771	242,839	
Allstate	6,740,153	3,047,518								Mfrs. Cas.	247,440	50,077	57,601	41,764	10,748	19,233	3,825	28,454	46,771
Amer. Auto.	4,210,936	1,740,145	440,396	126,073	38,271	35,740	39,810	202,633	1,585,271	Mfrs. & Merch.	16,010	2,935	6,784	459				4,688	
Amer. Cas.	1,235,404	439,424	80,775	36,756	3,404		17,553	79,276	525,652	Met. Cas.	2,362,163	1,331,395	280,955	1,173	11,470	12,670	70,197	150,823	318,406
Amer. F. & C.	268,663	136,026	42,673	9,484			2,378	9,925	61,775	Mieh. Surety	66,339								
Amer. G. & L.	192,397	67,145	17,782	6,069	24,379		3,567	15,434	40,874	Natl. Cas.	1,120,525	1,140	654	440	435	543	—18	125	1,333
Amer. Ind.	223,805	66,861	19,336	448	210	16,694	12,257	86,069		Natl. Indem.	10,726								
Am. Motorists.	2,486,523	338,556	39,341	1,401,983	6,472	6,356	2,400	8,680	372,697	Natl. Surety	568,914	1,146							
Am. Mut. Liab.	928,262	148,681	181,733	343,453	7,920	174	14,528	29,859	111,515	New Amst. Cas.	995,033	343,718	150,795	96,370	52,335	74,660	18,335	23,624	217,955
Amer. Reins.	1,085,379	239,352	92,242	83,571	62,093	235,512	3,170	25,307	238,512	N. W. Nat. Cas.	106,118	71,422	24,463						
Anchor Cas.	601,375	159,801	38,415	69,617	10,155	30,322	4,311	29,377	212,289	Nor. Un. Ind.	478,604	246,753	40,320	20,938					
Arex Ind.	5,260	604	1,441				20	1,573	1,036	No'west'n, Wash.	501	—75	67						
Argonaut Ex.	17,550			17,550						Ocean Acc.	1,333,081	378,186	150,839	174,397	25,506	30,903	21,304	49,569	229,640
Assoc. Ind.	3,167,355	—1,203	20,766	2,212,835	15,080	17,113	—201	5,273	1,810	Ohio Cas.	471,134	1,471,614	234,983	89,054	37,079	55,083	41,887	123,523	2,200,301
Assoc. Vet.	1,479,838									Ohio Fmrs. Ind.	408,762	236,461	26,398	18,766	3,208	3,308	11,393	35,098	646,329
Atlantic, Tex.	3,328	2,095								Olympic	1,890,587								
Bankers Ind.	16,941	6,539	1,462	3,434	—137		265	539	4,134	Pacific Auto	2,793,448	924,138	101,623	388,034					
Cal. Cas. Ex.	3,514,310	377,005	52,507	2,523,108						Pacific Empl.	13,580,954	1,161,405	600,235	9,438,294					
Cal. Comp.	7,484,122	136,509	237,978	6,832,679						Peerless Cas.	2,328,181								
Cal. Auto Assn.	8,142,988	2,963,763	22,658	2,429,873						Phoenix Ind.	870,334	355,776	85,608	69,972	4,395	7,443	17,654	46,706	210,921
Cal.-Farm.	18,503	5,633	296							Pref. Acc.	1,034,222	498,488	83,360	42,788	2,084	1,870	19,328	53,440	303,233
Canadian Ind.	481,927	158,483	173,171							Pref., Mich.	557,610								
Car & Gen.	205,565	102,490	16,812	11,684	96	1,180	4,902	8,226	60,685	Premier	6,216,099								
Cas. Ind. Ex.	1,342		1,100				198		35	Royal Ind.	2,768,339	895,241	411,454	330,244	87,886	79,344	52,432	211,259	599,843
Cas. Ins.	361,253		361,253							St. Paul-Merc.	3,613,176	1,358,016	601,950	241,966	42,676	249,167	10,933	75,501	252,687
Celina Mut. Cas.	—806	—553								Seaboard Sur.	336,360	25,467	62,533						
Central Sur.	490,919	118,053	50,338	11,429	16,008	105,608	8,013	17,400	138,338	Sec. Mut. Cas., Ill.	360,472	8,810	4,377	343,145					
Century Ind.	707,339	313,437	114,851	68,543	15,671	27,145	14,646	45,387	192,740	Serv. Cas., N. Y.	230,578								
Columbia Cas.	406,862	114,765	46,268	49,483	21,228	29,523	8,161	18,170	72,254	So. Cal. Au. Chubb	341,135								
Commer. Cas.	1,517,109	847,330	140,120	580	7,076	9,575	44,812	74,977	239,829	Stand. Acc.	2,479,157	5,094,684	277,623	201,105	48,002	118,177	9,885	26,688	1,101,336
Commer. Std.	438	—36								St. Comp. Fund.	26,309,002								
Conn. Ind.	857,379	444,778	90,285							State Farm Mut.	12,225,020	3,792,339	45,161						
Consol. Und.	117,931	26,142	916	45,944						Sun Indem.	1,811,721	45,415	9,369	38,546					
Eagle Ind.	465,011	192,281	61,230	29,824	6,443	9,215	6,944	26,270	116,973	Superior, Tex.	606,463	231,029	13,315						
Empl. Liab.	1,845,851	419,253	252,762	535,560	31,416	61,282	11,382	82,326	406,262	Trad. & Gen.	1,027,252	488,131	119,839	20,795	23	635	7,028	7,354	328,697
Empl. Mut. Liab.	2,342,749	329,500	217,169	1,373,101	2,414		8,225	2,267	387,110	Transit Cas.	1,919,671	719,062	753,677	149,729					
Empl. Reins.	2,819,574	905,158	235,685	420,704	140,435	201,709	1,878	73,009	123,564	Travelers	1,493,168	430,568	771,920	53,941					
Eur. Gen. Re.	1,012,980	270,281	84,414	82,043	42,948	6,750	3,106	83,879	83,879	Trinity Univ.	436,734	808,740	152,365	821,741					
Excess	178,483	12,842	9,916	1,009	14,194	121,529	3,943	15,284		United Natl.	814,338	435,793	70,377	6,316	2,303	1,835	14,054	31,334	251,906
Fac. Mut. Liab.	88,338	34,430	943				1,660	51,805		United Pac.	3,139,457	740,359	313,898	621,346	26,750	24,663	18,374	58,980	904,724
Farmers Ex.	20,439,576	8,083,897	64,469							Western Cas.	212,603	91,169	22,197						
F. & C.	5,497,514	1,739,045	11,325							Western Sur.	355								
F. & D.	1,657,460									Zurich	4,750,641	1,911,163	427,343	547,465					
Fireman's Fd.	8,322,305	2,098,903	1,326,701	1,011,159	288,279	341,654	120,126	440,336	2,023,903										
Gen. Acc.	1,941,782	618,348	234,065	46,272	91		19,220	55,984	701,140										
Gen. Cas., Wash.	3,916,533	1,882,538	419,333	30,680	64,021	212,304	58,094	111,531	1,125,570										
Gen., Tex.	443,376	177,296	10,948																
Glens Falls Ind.	1,554,694	438,886	201,118	79,430	44,196	400,996	25,469	33,530	288,198										
Globe Indem.	2,274,234	764,172	301,221	216,742	120,171	45,881	48,658	161,933	519,449										
Govt. Empl.	583,458	189,136		170,504	12,182	7,288	16,121	32,762	216,805										
Grt. Am. Ind.	2,998,371	1,090,932	435,309	199,020	85,691	250,686	51,097	151,030	715,823										
Guarantee	2,918,823	99,821	168,490	2,452,265															
Harbor	1,084,185	35,718	27,935	948,515															
Hardware Ind.	554,228	324,197	49,531	132,120			15,984	23,846	8,545										
Hardware M. C.	188,346	82,708	18,612	42,293			8,386	13,512	9,128										
Hartford Acc.	10,399,075	3,312,741	1,400,823	1,579,585	396,402	733,538	133,852	424,891	2,127,264										
Home Indem.	916,112	386,688	156,036	491	34,117	10,567	21,369	65,830	236,099										
Indem. of N. A.	2,894,692	933,739	419,363	189,556	133,484	123,872	43,903	183,262	714,590										
Indus. Ind.	8,887,245																		
Indus. Ind. Ex.	13,648,334																		

## Cal. Aggregates

	1948	1947
Total Prema.	329,105,196*	335,954,549
Total Losses	122,351,080*	138,637,104
Auto B.I. Prema.	69,491,491*	61,011,082
Auto B.I. Losses	23,498,826	24,072,010
Other Liab. Prema.	16,821,334	17,890,456
Other Liab. Losses	4,430,356	4,544,401
W. C. Prema.	91,800,916	90,803,130
W. C. Losses	39,636,550	39,828,323
Fidelity Prema.	2,711,005	2,280,913
Fidelity Losses	795,261	666,405
Surety Prema.	7,712,526	6,887,026
Surety Losses	632,026	688,737
Glass Prema.	1,614,436	1,597,208
Glass Losses	656,588	861,695
Burglary Prema.	5,588,457	6,020,186
Burglary Losses	2,120,999	2,966,163
P.D.-Coll. Prema.	76,596,667	70,225,387
P.D.-Coll. Losses	25,888,916	30,114,161

\*Includes classes shown below and fire, theft, etc., of full cover auto in-

surers, as well as fire and allied business of multiple line companies.

The California figures shown herewith do not include several large writers in the state. That business and the grand totals will be included in an early issue.

## Other Lines

## ACCIDENT &amp; HEALTH

	Net Pre
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# THE MUTUAL INSURANCE INSTITUTE...

*Training by Experts...*



*...for an insurance career*

ASK ANY ONE of the 457 graduates of the Mutual Insurance Institute how highly he values the training he received there. Scattered throughout the country, from Whistle-stop to Big Town, these insurance men are unanimous in their enthusiastic endorsement of the intensive preparation for an insurance career offered by the Institute's staff of experts.

Executives of wide experience assist the full-time faculty as instructors. What's more, the Institute has ideal facilities for practical demonstrations and field

work in casualty, fire and inland marine lines.

Qualified agents, members of their staffs, and company employees of Kemper Insurance are now signing up for the 23rd session of the Mutual Insurance Institute, beginning May 9, in Chicago. The Institute is fully approved and recognized under the G. I. Bill of Rights for training veterans of World War II.

The specialized education offered through the Mutual Insurance Institute is only one more of the many services offered by the Kemper companies to their agents.

## Here's what they say about it:

"Have been wanting to write to you and tell you and your fellow workers how much I learned while attending the Institute. However, it is impossible to state the value I place upon the time spent in Chicago. I feel that this can best be summarized by giving you the results of the past two days' activities: Have insured 11 automobiles, 1 truck, 1 airplane, written 2 fire policies, 1 hospitalization, submitted 2 group accident proposals, rated 1 boiler and hired 1 salesman."

★ ★ ★

"As a result of the training received at The Mutual Insurance Institute I feel qualified to represent myself as an Insurance Agent and able to meet competition on an equal basis. The course also taught me how and where to find the answers to questions I could not readily give."

★ ★ ★

"I think that this type of educational program that you folks are putting on is a fine contribution to the insurance industry as a whole, and I keep thinking that at the time I started in the insurance busi-

ness, 28 years ago, how nice it would have been if I would have had training of this type and also the understanding treatment that you and your associates are giving, especially to these newcomers to the business."

★ ★ ★

"I enjoyed the good old human atmosphere of the members of the Kemper Insurance Group while I attended the Mutual Insurance Institute there. I am sure I know how to appreciate the splendid instructions received better than most of the fellows because I was exposed to the stuff the hard way."

NEXT SESSION STARTS MAY 9

# Lumbermens... MUTUAL CASUALTY COMPANY

Operating in New York state as (American) Lumbermens Mutual Casualty Company of Illinois  
James S. Kemper, chairman H. G. Kemper, president • Mutual Insurance Building, Chicago 40

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Your clients may "take a fall" when

## HALF-COVERED

against power-equipment failure

A client of yours, with insurance coverage on only his boilers, is walking a tightrope over half a net. He may get there—and he may not! He can sustain a great loss—in property damage and business interruptions—through failure of an engine, a compressor or an electrical unit. Too many owners of medium size factories, hotels, laundries and dairies forget this in buying insurance.

Here is an opportunity to widen the service and growth of your

agency. Recommend complete boiler and machinery insurance with adequate Use and Occupancy coverage—plus inspections by specialists.

The Special Agent of Hartford Steam Boiler has the technical knowledge of boiler and machinery coverage to aid you in selling and servicing this type of risk. Why not check over a list of your clients now and call him in for his suggestions.



**The Hartford Steam Boiler Inspection and Insurance Company**

HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

## Cost Units Take Firm Stand on N. Y. Commission Law

E. J. Schofield, chairman of the casualty and surety acquisition cost conferences, has issued a formal statement reporting that those organizations have reaffirmed their opposition to the bills in the New York legislature relating to authorization of voluntary cooperative commission agreements. The main objection is to placing commission control in the hands of the insurance superintendent and, in effect, giving him power to regulate commissions. This would, the companies believe, remove from management a responsibility which is a management function.

Mr. Schofield said the conferences believe they are now operating legally as a service organization under the New York law. Sections 180 and 182 of the insurance law give the superintendent wholly adequate regulatory power over the conferences, but do not give him power to regulate commission payments. That the conferences have operated in the public interest is indicated by the fact that every insurance superintendent has approved them since they were organized 26 years ago. In fact, they were formed with the aid and insistence of supervisory authority.

### Consultations on Standards

"With respect to proposals for consultations with producers on commission standards, so far as I am informed no producer nor any member of the public, has ever complained about the operation of the conferences," Mr. Schofield said. "I am sure the producers are interested in substance rather than form. Producers' groups and companies have always had the benefit of consultation on commission standards prior to the conferences taking any action thereon, and it is fully expected that the same consultative procedures will be followed in any future operation of the conferences. These consultative procedures have given producers groups full opportunity to express their views relative to any contemplated changes in commission standards, and their views have always received consideration and have influenced the conferences in deciding the issues involved. Indeed, the results of these procedures have been so satisfactory in the past to the conferences, producers groups and supervisory authorities that it is hardly realistic to now place them in jeopardy by passage of the proposed legislation.

"The recent opinion of the attorney general of New York, which held the conferences subject to the Donnelly anti-trust act, is entitled to great weight. But I also have read contrary opinions, specifically those of two eminent lawyers who are active in anti-trust litigation. I sincerely hope that the question involved can be finally settled by a declaratory judgment or other affirmative court procedure, but that pending the outcome of such an action the conferences shall be held intact. I fear, however, that if the pending legislation is enacted first, it will be prejudicial to this course of action and to continuance of the conferences. A special committee has been directed by the conferences to explore the matter further, and to continue conferences with the superintendent of insurance and others to determine the feasibility of legal procedure of this type."

William E. Roskam and Herbert F. Grout have purchased the local agency of Scott & Hesse at Los Angeles.



E. J. Schofield

## Seek to Resolve Pa. Responsibility Law Muddle

HARRISBURG — The question of whether Pennsylvania's auto financial responsibility law of 1933 is legally in effect has been raised by state legal experts, and Attorney General Chidsey, at the request of Gov. Duff, is preparing an opinion on the question.

A security type of responsibility law was adopted in 1945, carrying a repeal of the 1933 law. It was dated to go into effect July 1, 1947, but the governor did not sign postponement legislation until July 3.

The act of 1945, some hold, therefore, repealed the 1933 law which requires drivers to have proof of financial responsibility if they are unable to meet a court judgment arising from an automobile accident.

Commissioner Malone said if the 1933 law is found to have been repealed by the 1945 act, it would not be possible for the state any longer to postpone the new effective date of the 1945 statute.

The new law would immediately lift the licenses of persons involved in accidents if they could not post financial settlement for damages immediately following an accident. This law will become effective July 1, 1949, unless again postponed by the assembly.

Mr. Malone estimated that 50% of Pennsylvania's 2,392,000 motor vehicles are covered by third party liability insurance. The new law, he said, would increase this to about 80%.

The attorney general said if the 1933 law has not been legally operative since June 30, 1947, some 3,000 auto licenses may have been suspended illegally by the department of revenue. The latter department wants the new law postponed again for another two years because of the administrative problems, which it is not prepared financially to handle.

It has been suggested in some quarters that the insurance companies pay, at least in part, for the administration of the law but this has not been agreed to.

## Would Modernize Tenn. Auto Responsibility Law

Companion bills to amend the Tennessee old type of automobile financial responsibility bill to conform to the modern type of security legislation are up for passage stage in both the senate and house. The Tennessee legislature is scheduled to reconvene March 21.

## Continental Promotes Group, Wholesale Men

The general group division of Continental Casualty has named Tom Armbrust regional manager at Chicago, Herbert Woodland, regional manager at Los Angeles, W. J. Fitzgerald, regional manager at Detroit. Willett K. Boger has been given the title of manager of compulsory state disability plans with headquarters at New York City. Frank E. Hesson becomes chief underwriter for general group operations. All of these men will continue with the work they have been doing, but will be given increased responsibility.

The wholesale division of Continental Casualty has promoted Earl W. Mattson to agency secretary, Ray R. Mooth to chief underwriter and Arthur T. Eggers to home office agency supervisor. Mr. Mattson joined Continental in 1939 and in 1946 was appointed chief underwriter. Mr. Mooth joined the company the same year and became chief underwriter of special risks in 1946. Mr. Eggers has been in the wholesale division since 1947, traveling out of the Wisconsin service office.

The Kitzmiller-Tudor agency, Canton, O., has purchased the Pontious agency.

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## ACCIDENT AND HEALTH

### Bywaters President of Texas A. & H. Association

At the annual meeting of Texas Assn. of A. & H. Underwriters at Waco, these officers were elected: Porter Bywaters, Dallas, Employers Casualty, president; Louis F. George, Houston, Continental Casualty, vice-president; Earle E. Bailey, Dallas, Great American Reserve, secretary. Directors are Norris Ewing, Amarillo, Travelers; Charles Shedd, Dallas, Republic National Life; Curtis Curry, Abilene, Bankers Life & Casualty; D. G. Leggett, Houston, Southland Life; Max A. Derden, Corpus Christi, American Hospital & Life, and H. D. Wood, Lubbock, Western Reserve Life. O. D. Harlan, National Travelers Casualty, San Antonio, the retiring president, becomes chairman of the executive committee.

Mr. Harlan reviewed briefly the work of the past year and stressed the need for acquainting the public with the purposes of A. & H. insurance and the services which it renders. He suggested that the agent has an opportunity to ask those whom he contacts what they believe about socializing A. & H. insurance and learn what the general attitude toward private insurance is.

He urged a program to eliminate unfit agents. He mentioned the need for more schools for the training of A. & H. men and spoke of plans which it is hoped may result in the establishment of such a school in one of the Texas colleges.

It was voted to promote measures for better public understanding and closer cooperation with the medical profession. It was stated that plans for conferences with doctors on a local and state level are now being developed.

### Increases A. & H. Limits

Bankers National Life has raised maximum indemnity under A. & H. policies to \$75 a week or \$300 a month, an increase of 50%. It also has increased the benefit period for health insurance under its "superior" and "modern" A. & H. policies.

### P. M. Non-Can Restoration

LOS ANGELES—A fifth partial restoration of benefits under the non-cancelable policies amounting to 7%, has been authorized by Pacific Mutual Life and approved by Commissioner Downey. This brings the total restoration to 31% of the monthly indemnity not assumed by the company at the time of reorganization.

The present restoration involves \$1,970,000 and makes restoration total \$8,200,000.

### Arnett Named President

Mahoning Valley A. & H. Assn., Youngstown, O., has elected Parker B. Arnett, Inter-Ocean, president. He succeeds John J. Friedland, Mutual Benefit H. & A., president for three successive terms, who was named chairman.

Leland Clegg is vice-president; Charles Woodman, secretary.

### New San Antonio Officers

San Antonio Assn. of A. & H. Underwriters has elected these officers: W. C. Bacon, Occidental Life, president; Dick Penney, American Hospital & Life, vice-president; C. B. Brussels, Catto & Catto agency, secretary; Herman Andrews, Business Men's Assurance, treasurer.

### Bill for Hospital Payments

A bill has been introduced in the Illinois legislature by Rep. W. R. Arrington of Chicago which would allow companies writing group A. & H. and hospitalization insurance to include in the policies a provision for payment of

benefits due policyholders direct to the hospital, doctor or nurse. Such payments could not be made unless provided for in the policy.

While broader in its scope than the Chicago hospital admissions plan, the bill is intended primarily to facilitate the operation of that plan. Companies that include such a provision in their group policies could get away from using the assignment blank that is provided for in the Chicago plan. Those

that do not would still have to use that blank. The bill would apply only to group business and not individual policies.

### Kay Is Toledo Manager

Kay-Klaus agency has been established to represent Massachusetts Casualty at Toledo, with Manley Kay, formerly with the company at Cleveland as manager.

R. L. Jennings, American, is addressing an evening meeting of Exchange Club of Alpena, Mich., March 21 on fire prevention.

## SURETY

### Bonds Executed on Big Government Projects

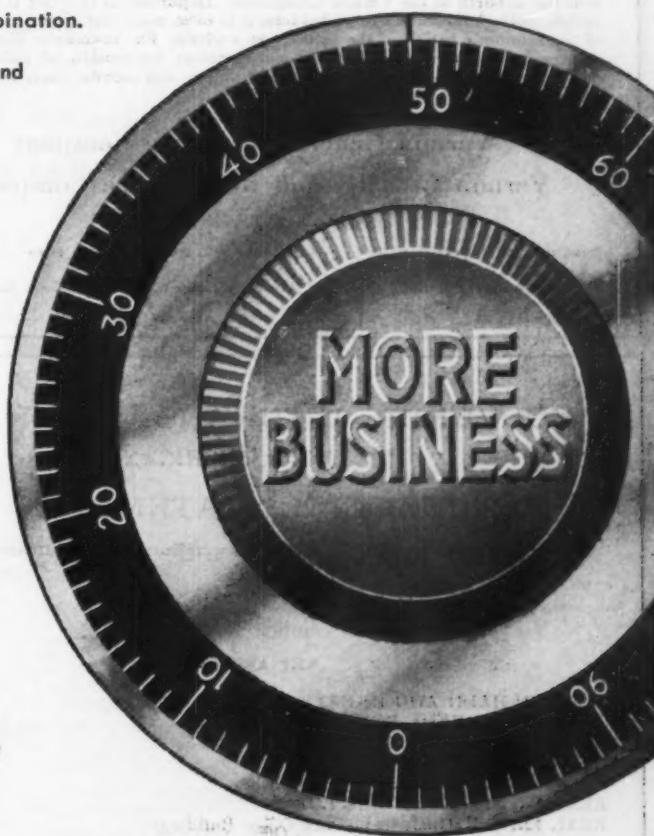
C. M. Elliott and John C. Gist, Sacramento, have been awarded a contract for completion of the Keswick dam and power plant, Central Valley Project, near Redding, Cal., at their bid of \$1,239,400. Fidelity & Deposit and Massachusetts Bonding will execute the bonds. Wunderlich Contracting Co., Omaha,

# 49-59-0

This is a business-winning combination.

It opens the door to easier sales...and  
9,500 F&D agents know it. Here's  
what it stands for:

- 49**—the number of F&D field offices spotted throughout the country, each staffed with practical men whose sole assignment is to help agents and brokers build business.
- 59**—the number of years during which F&D has specialized in fidelity and surety bonds: over half a century of constant growth to the point where, today, F&D handles a larger gross volume of fidelity and surety business than any other company in the entire industry.
- 0**—the number of obligations which F&D has failed to settle promptly and fully, good times or bad...



**FIDELITY AND DEPOSIT COMPANY**  
**Baltimore Maryland**

FIDELITY AND SURETY BONDS  
BURGLARY, AND OTHER NEEDED  
FORMS OF INSURANCE

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

## CONDENSED ANNUAL STATEMENTS OF THE

**Vernon Companies**

DECEMBER 31, 1948

INDIANAPOLIS, INDIANA

**Vernon General Insurance Company**

Assets .....	\$1,639,541.50
Liabilities .....	1,249,799.94
Capital .....	\$200,000.00
Surplus .....	189,741.56

**Vernon Casualty and Reinsurance Company**

Assets .....	\$1,271,016.12
Liabilities .....	963,123.17
Capital .....	\$200,000.00
Surplus .....	107,892.95

TOTAL PREMIUM INCOME—both companies 1948.....\$3,025,503.05

Brief as they are, the statements above offer clear evidence of the continuously growing strength of the Vernon Companies. Important as this fact is to Vernon agents, policyholders, and stockholders, it is even more significant as a measure of the economic health of the country as a whole. For insurance, like freedom, is everybody's business. Vernon's conscientious trusteeship of policyholders' money, and Vernon's service to policyholders and agents, contribute importantly to the country's stability.

**Vernon General Insurance Company****Vernon Casualty and Reinsurance Company**

INDIANAPOLIS, INDIANA

Casualty	Credit Life	Accident	Bonding	Fire	Marine
21 No. Pennsylvania St.		All Departments		Tel. Market 6301	

**WOLVERINE INSURANCE COMPANY**

LANSING 3, MICHIGAN

**FINANCIAL STATEMENT**

As submitted to Michigan Department of Insurance

as of

December 31, 1948

**NET ASSETS**

CASH ON HAND AND IN BANKS.....	\$ 919,850.93
U. S. GOVERNMENT BONDS.....	2,044,231.79
STATE AND MUNICIPAL BONDS.....	409,114.16
OTHER BONDS .....	5,000.00
PREFERRED AND COMMON STOCKS.....	300,028.85
REAL ESTATE MORTGAGE LOANS.....	121,068.89
REAL ESTATE (Including Home Office Building).....	153,504.95
PREMIUMS IN COURSE OF COLLECTION AND OTHER ASSETS .....	823,301.92
<b>TOTAL ASSETS .....</b>	<b>\$4,776,101.49</b>

**LIABILITIES**

RESERVE FOR UNADJUSTED CLAIMS.....	\$1,274,924.77
RESERVE FOR UNEARNED PREMIUMS.....	1,946,751.41
RESERVE FOR COMMISSIONS AND FOR ESTIMATED TAXES AND EXPENSES .....	637,362.49
RESERVE FOR DIVIDEND PAYABLE JANUARY 10, 1949....	12,000.00
RESERVE FOR PROFIT SHARING AND RETIREMENT PLANS .....	32,070.63
VOLUNTARY CONTINGENCY RESERVE.....	60,000.00

TOTAL LIABILITIES EXCEPT CAPITAL.....\$3,963,109.30

CAPITAL .....	\$200,000.00
SURPLUS .....	612,992.19

TOTAL LIABILITIES .....

BONDS AMORTIZED — STOCKS AT MARKET

was low bidder at \$5,482,865 on the Tecolote tunnel and access road, Santa Barbara Project, near Santa Barbara, Cal. National Surety is understood to be on the bid bond.

Winston Bros. Co., Minneapolis, and Tayler-Wholesale Co., Azusa, Cal., were low bidders at \$5,644,874 for work on the San Angelo dam and reservoir, Colorado Basin, Tex. Aetna Casualty is on the bid bond for Winston Bros.

American Pipe & Construction Co., South Gate, Cal., has been awarded the contract at \$2,049,922 for additional work on the Boulder Dam Canyon Project. Fidelity & Deposit will execute the bond.

**Bond Big Dam Projects**

S. A. Healy Co., White Plains, N. Y., and Material Service Co., Chicago, jointly were low bidders at \$15,217,975 on construction of tunnels at the Garrison dam, near Riverdale, N. D. Maryland Casualty is on the bond for the Healy Co., and it is understood that Standard Accident bonded the Material company.

Consolidated Builders, Inc., Portland, composed of General Construction Co., Seattle; J. F. Shea Co., Alhambra, Cal.; Kaiser Engineers, Oakland, Cal., and Walsh Construction Co., San Francisco, were low bidders at \$28,230,509 on construction work at the Detroit dam near Mills City, Ore. Continental Casualty, Hartford Accident, Fidelity & Deposit and Maryland Casualty were on the bid bond.

**CHANGES****Chicago Scope Extended of Bituminous Casualty**

Bituminous Casualty has transferred supervision of agencies in Lake, La Porte, Porter, and St. Joseph counties, Ind., to the Chicago branch. Hereafter all service facilities will be provided by that office. In the past these counties have been handled from Indianapolis. All general agency agreements in this territory have been terminated and all business in the future will be on a local agency basis.

**R. Thomas to New Orleans**

Robert Thomas, formerly with American-Associated at Detroit branch, has been promoted to underwriting manager at New Orleans. He replaces Adolph Prebil who goes to the head office as superintendent of technical training. Mr. Thomas is a navy veteran.

**Two Named in N. J.**

Employers group has appointed Edward R. Bender and Hugh Henry special agents in northern New Jersey. Mr. Bender was formerly with Citizens Casualty and Mr. Henry with American Casualty.

**E. J. O'Brien to Chicago**

E. J. O'Brien has become assistant counsel in the home office legal department of Lumbermens Mutual Casualty,

transferring from the Boston office.

He joined Lumbermens in 1947, previously having engaged in private law practice, having been with the claims department of Aetna Casualty and having served as assistant counsel of the Massachusetts department of insurance. Mr. O'Brien is a graduate of Northeastern University and served during the war in the marine corps.

**F. & D. Promotes McWhirter**

Richard M. McWhirter has been promoted to assistant manager at Dallas for Fidelity & Deposit. Mr. McWhirter has had 20 years of surety underwriting experience.

**Lamb and Nylen on Board**

Arthur Lamb, special agent for Northern of New York, and Stanley Nylen, local agent of Chicago, have been elected directors of Reserve Ins. Co. of Chicago. Two places on the board remain to be filled, Edward T. Hurst, having died recently and M. J. Law, secretary, and Anton Schuster, who was president and secretary of the old Reserve Mutual Casualty, having resigned. Mr. Schuster has retired after many years of service.

**Two New Special Agents**

Two new special agents have been announced by Commercial Standard. Clarence Kelly, with the company 13 years and recently a casualty underwriter, has been assigned to the Abilene office under H. P. Schrimsher, manager. Bill Blundell has joined the Oklahoma City branch office.

**Claim Office at San Antonio**

Hartford Accident has opened a claim office at San Antonio, with Hoyt H. Wyatt, transferred from the Houston claim office in charge.

**COMPANIES****General Re Adds to Stature**

General Reinsurance at Dec. 31 possessed assets of \$50,995,597. Of the investments 55% are in cash and government bonds.

The claims reserve was \$22,986,091, an increase of \$2,552,454. There was an increase of \$1,629,308 in premium reserve. Voluntary reserve was \$2,095,923, increase \$387,109. Capital remains at \$5 million and net surplus at \$10 million.

Assets of the affiliated North Star Reinsurance were \$18,358,410, increase \$1,434,271. Of its investments, 86% were in cash and governments. Premium reserve was higher by \$636,280. Policyholders surplus was \$5,427,642, an increase of \$858,245.

**Textile Names Officers**

HIGH POINT, N. C.—Organization of Textile Insurance Co. has been com-

**GUARANTEE INSURANCE COMPANY**

HOME OFFICE — LOS ANGELES

Licensed in California—Indiana—Colorado—Texas—

Hawaiian Islands

Writing Compensation—Liability—Burglary—

Automobile

Branch Offices—San Francisco—Los Angeles—

San Diego—Indianapolis

General Agencies—Cobb &amp; Stebbins, Denver

George M. Yamada, Honolulu

Barney Vanston &amp; Co., Dallas

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pleted with T. A. Wilson of Raleigh,  
former chairman of state industrial  
commission, as president; James A.  
Bridger, Blandensboro, vice-president;  
James A. Lovelace, High Point, secre-  
tary, and W. C. Idol, High Point, treas-  
urer.

Mr. Wilson reported that more than  
\$500,000 of stock has been paid for by  
more than 300 stockholders. It will  
write casualty insurance, including  
workmen's compensation.

### Vernon Group Increases

Vernon group showed a 33 1-3 pre-  
mium gain during 1948 amounting to  
\$996,503. Premiums were \$3,025,503. As-  
sets of Vernon General were \$1,639,541,  
an increase of \$410,122 or 33 1-3%. Cap-  
ital and surplus amounted to \$387,741.

The assets of Vernon Casualty & Re-  
insurance stood at \$1,271,016, an in-  
crease of \$490,496 or 62%. Surplus to  
policyholders was \$307,893.

### Reserve on Plus Side

Reserve Ins. Co. of Chicago at Dec.  
31 reports \$604,989 assets, capital \$200,-  
000 and net surplus \$89,165. The pre-  
mium reserve is \$96,413, loss reserve  
\$171,746.

Earned premiums were \$980,000, an  
increase of nearly 30%. Losses in-  
curred were \$532,654 and total losses  
and expenses \$976,895. President Fred  
E. Law emphasized that in a period  
of less than 36 months as a stock com-  
pany, Reserve has completed a fiscal  
year on the plus side.

Commissioner Downey has approved  
the name "Transport Insurance Co." for  
a proposed new stock company to be  
organized at Los Angeles.

**American Employers**—Assets, \$30,172,-  
820, incr., \$2,097,806; unearned prem.,  
\$7,761,641; loss res., \$11,893,520; capital,  
\$1,000,000; surplus, \$8,125,908, incr., \$62,-  
691.

	Net Premiums	Paid Losses
Accident .....	\$ 118,369	\$ 32,526
Health .....	17,269	4,884
Group A. & H. ....	225,533	181,576
Auto liability .....	4,586,075	1,990,254
Other liability .....	1,909,864	545,949
Workmen's comp. ....	4,865,010	2,296,673
Fidelity .....	531,941	94,132
Surety .....	807,871	40,959
Glass .....	239,116	127,743
Burglary & theft....	733,808	286,558
Boiler & machinery..	328,853	46,912
Auto prop. damage..	2,322,576	1,128,617
Auto collision .....	229,931	77,985
Other P. D. & coll..	357,656	84,087
Totals .....	\$17,273,872	\$6,938,855

**American Farmers Mutual Auto, Minn.,**  
and Cooperative Mutual, Milwaukee  
(merged Oct. 22, 1948)—Assets, \$3,450,-  
983, incr., \$1,779,959; unearned prem.,  
\$940,597; loss res., \$1,516,229; surplus,  
\$770,082, incr., \$467,684.

A. & H. ....	\$ 26,394	\$ 10,705
Group A. & H. ....	17,208	13,077
Auto liability .....	1,386,023	472,969
Other liability .....	65,725	5,747
Workmen's comp. ....	168,146	63,458
Fire and theft .....		4,482
Auto comp. ....		10,340
Auto prop. damage..	771,610	280,427
Auto collision .....	525,705	196,735
Other P. D. & coll..	23,535	3,433
Totals .....	\$2,984,349	\$1,061,387

**Amer. Independent Mut. Cas.**—Assets,  
\$94,374, incr., \$7,972; unearned prem.,  
\$60,758; loss res., \$6,376; surplus, \$24,546,  
incr., \$8,446.

A. & H. ....	\$ 796,100	\$ 320,900
<b>California Compensation</b> —Assets, \$8,- 310,367, incr., \$1,690,121; unearned prem., \$1,097,984; loss res., \$5,464,902; capital, \$178,585; surplus, \$951,643, incr., \$102,998.		
Auto liability .....	\$ 136,509	\$ 64,662
Other liability .....	237,978	22,658
Workmen's comp. ....	6,832,679	2,429,872
Auto prop. damage..	80,554	29,168
Auto collision .....	80,881	38,559
Other P. D. & coll..	81,901	10,212
Other auto .....	33,620	13,805
Totals .....	\$7,484,122	\$2,608,926

**Colonial Cal.**—Assets, \$2,636,879, incr.,  
\$162,584; unearned prem., \$900,441; loss  
res., \$1,072,697; capital, \$150,000; surplus,  
\$124,747; decr., \$29,411.

Auto liability .....	\$ 809,299	\$ 247,419
Other liability .....	7,891	30,235
Workmen's comp. ....	238,991	394,907
Auto prop. damage..	463,796	185,848
Auto collision .....	614,871	177,211
Other P. D. & coll..	4,314	434

	Net Premiums	Paid Losses
Other auto .....	269,966	30,058
Totals .....	\$2,409,128	\$1,066,112
<b>Eagle Indemnity</b> —Assets, \$12,093,149, incr., \$355,100; unearned prem., \$2,516,- 128; loss res., \$4,091,350; capital, \$1,000,- 000; surplus, \$4,793,495, decr., \$109,665.		
Accident .....	\$ 95,730	\$ 42,933
Health .....	31,571	14,442
Group A. & H. ....	49,240	30,677
Auto liability .....	1,552,305	729,541
Other liability .....	622,163	212,289
Workmen's comp. ....	1,444,098	691,283
Fidelity .....	151,596	30,985
Surety .....	89,389	45,420
Glass .....	84,397	42,205
Burglary & theft....	317,045	123,227
Boiler & machinery	86,164	34,674

	Net Premiums	Paid Losses
Auto prop. damage..	732,250	400,667
Auto collision .....	12,799	7,157
Other P. D. & coll..	104,389	28,716
Totals .....	\$5,373,147	\$2,434,226
<b>Employers Liability</b> —Assets, \$76,624,- 081, incr., \$5,293,999; unearned prem., \$16,- 549,073; loss res., \$34,741,747; stat. de- posit, \$850,000; surplus, \$19,137,538, incr., \$2,746,717.		
Accident .....	\$ 456,929	\$ 163,835
Health .....	49,038	21,744
Group A. & H. ....	1,237,819	1,305,380
Non-can. A. & H. ....	164	267
Auto liability .....	9,904,139	4,290,992
Other liability .....	5,588,308	1,915,360
Workmen's comp. ....	15,262,730	7,733,022
Fidelity .....	728,456	126,870

	Net Premiums	Paid Losses
Surety .....	692,802	30,967
Glass .....	429,812	226,915
Burglary & theft....	1,494,082	522,674
Boiler & machinery	943,070	252,935
Auto prop. damage..	4,686,491	2,348,797
Auto collision .....	515,125	156,323
Other P. D. & coll..	1,032,762	274,126
Totals .....	\$43,021,732	\$19,270,107
<b>Employers Mut. Liab. Wm.</b> —Assets, \$79,682,059, incr., \$9,944,512; unearned prem., \$13,819,331; loss res., \$41,656,111; surplus, \$14,625,623, incr., \$2,320,464.		
Accident .....	\$ 12,227	\$ 38,571
Group A. & H. ....	729,043	468,624
Auto liability .....	5,485,808	3,091,657
Other liability .....	4,187,772	1,022,719
Workmen's comp. ....	41,023,621	18,008,209

## U. S. F. & G.



### 53rd Annual Financial Statement, December 31, 1948

#### ASSETS

Cash .....	\$ 16,456,302.52
United States Government Bonds* .....	68,026,349.70
Other Bonds and Stocks* .....	38,879,443.64
Premiums in Course of Collection, not over 90 days due ..	15,743,736.57
Company Office Buildings—less Depreciation Reserve ..	3,733,014.10
Accrued Interest .....	295,496.51
Other Admitted Assets .....	593,860.41
<b>Totals .....</b>	<b>\$143,728,203.45</b>

#### LIABILITIES

<b>Reserves:</b>	
Claims and Adjustment Expenses .....	\$ 49,073,986.47
Premium Taxes and Operating Expenses .....	2,687,962.37
Federal Income Taxes .....	5,000,000.00
Commissions .....	3,108,519.24
Unearned Premiums .....	44,636,824.50
Other Liabilities .....	280,569.13
Dividend Payable January 14, 1949 .....	500,000.00
Voluntary Reserve .....	\$ 3,265,138.31
Capital .....	10,000,000.00
Surplus .....	25,175,203.43
<b>Surplus to Policyholders .....</b>	<b>38,440,341.74</b>
<b>Totals .....</b>	<b>\$143,728,203.45</b>

\*Values as prescribed by the National Association of Insurance Commissioners. The  
December 31, 1948, market values were \$477,286.30 greater than those used in this  
statement.

Cash and Securities in the amount of \$4,423,500 (par value) in the statement are  
deposited as required by law.

## UNITED STATES FIDELITY & GUARANTY CO. BALTIMORE, MARYLAND

Casualty and Burglary Insurance . . . Fidelity and Surety Bonds

	Net Premiums	Paid Losses		Net Premiums	Paid Losses
Fidelity	47,692	11,754	Glass	506	1,521
Glass	75,528	63,310	Burglary & theft	2,357	515
Burglary & theft	174,249	87,064	Auto-comp.	129,787	36,812
Boiler & machinery	26,547	23,965	Auto prop. damage	217,692	83,989
Auto prop. damage	2,490,672	1,505,354	Auto collision	195,679	82,927
Auto collision	1,758,464	665,989	Other P. D. & coll.	11,677	829
Other P. D. & coll.	1,412,738	534,997	Totals	\$1,387,994	\$ 497,929
Excess of loss	27,980	39,834			
Totals	\$57,452,341	\$25,562,048			
Equity Mutual, Mo.—Assets, \$1,698,182;			Fireman's Fund Indem.—Assets, \$45,-		
Inc., \$214,270; unearned prem., \$580,642;			Inc., \$6,538,911; unearned prem.,		
loss res., \$606,602; surplus, \$370,106, inc.,			\$13,033,012; loss res., \$19,270,253; capital,		
\$60,024.			\$1,400,000; surplus, \$9,204,121, decr. \$1,-		
Auto liability	\$ 411,280	\$ 161,087	058,992.		
Other liability	72,112	20,282	Accident	\$ 624,963	\$ 264,738
Workmen's comp.	336,864	109,957	Health	118,579	39,727
Surety	10,040		Cal. U. C. D.	2,859	1,682
			Auto liability	\$ 835,575	\$ 310,847
			Other liability	\$ 712,376	\$ 256,573

## A New-Business Market for Agents— Accountants Liability Insurance

A RECENT impartial survey reveals that as many as 80% of accounting firms do not have Accountants Liability insurance. But, in most cases where they do not have it, the accountants were glad the question had been asked and indicated an intention to look into the matter immediately.

*This suggests a ready market for the alert agent.*

This is a specialized line and a good premium-producer that very few agents have pushed.

The way has been paved for you by American Surety Group's special advertising messages in accounting publications and addressed solely to the accountant.

Who needs it, just what it does, and how to get it, is featured in our March "MAILROAD TO PROFITS". Write for your free copy today; just address our Agency & Production Department for help in getting your share of the new business that awaits you!



### AMERICAN SURETY GROUP

AMERICAN SURETY COMPANY  
NEW YORK CASUALTY COMPANY  
SURETY FIRE INSURANCE COMPANY

Casualty • Surety • Automobile • Inland Marine

100 Broadway, New York 5, N. Y.

	Net Premiums	Paid Losses		Net Premiums	Paid Losses
Workmen's comp.	6,001,991	2,717,074	Merchants Indemnity—Assets, \$7,348,-		
Fidelity	688,765	134,855	140, inc., \$1,167,269; unearned prem.,		
Surety	980,650	80,766	\$1,267,446; loss res., \$1,597,141; capital,		
Glass	402,613	166,299	\$1,000,000; surplus, \$4,187,751, inc., \$18,-		
Burglary & theft	1,341,160	491,235	838.		
Spec. war industry	—362				
Auto prop. damage	4,065,955	1,781,072	Net		
Auto collision	1,147,507	148,934	Premiums		
Other P. D. & coll.	802,093	223,978	Accident	\$ 21,030	\$ 6,594
Misc.	609,674	72,812	Auto liability	1,433,808	318,741
Totals	\$28,850,406	\$10,159,597	Other liability	106,345	21,238
			Workmen's comp.	4,001	17,796
General Reinsurance—Assets, \$50,995,-			Fidelity	—92	—
Inc., \$5,597,846; unearned prem.,			Surety	56,271	70
\$7,327,140; loss res., \$22,724,787; capital,			Glass	54,411	19,591
\$5,000,000; surplus, \$17,095,923 inc., \$387,-			Burglary & theft	35,359	5,460
109.			Auto comp.	23,559	
Accident	\$ 664,119	\$ 258,282	Auto prop. damage	649,372	125,550
Health	64,856	48,893	Auto collision	48,622	
Group A. & H.	82,334	80,626	Other P. D. & coll.	11,622	3,031
Auto liability	6,013,484	2,912,099	Aircraft	28,520	5,560
Other liability	1,266,535	718,466	Totals	\$2,472,828	\$ 524,235
Workmen's comp.	2,304,714	947,751			
Fidelity	1,932,071	416,098	Metropolitan Life—Assets, \$9,125,145,-		
Surety	1,991,138	120,254	Inc., \$576,722,406; unearned prem.,		
Glass	33,742	9,622	\$7,512,576; loss res., \$17,514,101; surplus,		
Burglary & theft	1,170,916	292,488	\$453,921,806, inc., \$26,645,449.		
Boiler & machinery	269,440	163,064	Accident	\$7,521,002	\$2,728,267
Credit	322,114	54,639	A. & H.	4,661,753	1,950,231
Auto prop. damage	568,694	185,696	Group A. & H.	70,854,373	43,785,077
Auto collision	25,931	8,463	Non-can. A. & H.	32,320	83,959
Other P. D. & coll.	599,599	113,271	Totals	\$83,069,448	\$48,547,524
Fire	9,862				
Total	\$17,319,657	\$6,329,719	M. F. A. Mutual, Mo.—Assets, \$1,502,-		
			Inc., \$586,037; unearned prem., \$588,-		
Glen Falls Indemnity—Assets, \$29,-			926; loss res., \$383,049; surplus, \$407,338,		
Inc., \$1,948,922; unearned prem.,			Inc., \$254,736.		
\$7,758,272; loss res., \$11,486,606; capital,			Medical pay	\$ 123,903	\$ 15,611
\$1,000,000; surplus, \$8,583,521, inc., \$182,-			Auto liability	512,556	127,712
412.			Other liability	19,804	175
Accident	\$ 296,704	\$ 93,333	Auto comp.	227,855	62,884
Health	24,296	8,977	Auto prop. damage	479,088	105,410
Group A. & H.	998	174	Auto collision	508,249	159,393
Auto liability	4,801,309	1,851,020	Other P. D. & coll.	4,733	1,159
Other liability	1,991,691	516,349	Road service	5,245	504
Workmen's comp.	3,606,152	1,793,540	Totals	\$1,881,436	\$ 472,852
Fidelity	323,870	60,123			
Surety	1,067,465	102,645	National Auto. & Cas.—Assets, \$12,298,-		
Glass	253,045	110,734	Inc., \$827,629; unearned prem., \$3,-		
Burglary & theft	642,356	215,099	769,481; loss res., \$5,119,735; capital, \$1,-		
Boiler & machinery	727	112,252	600,000; surplus, \$2,445,412, inc., \$262,-		
Auto prop. damage	2,277,565	1,059,520	058.		
Auto collision	81,403	25,447	Auto liability	\$1,826,892	\$ 837,044
Other P. D. & coll.	335,213	65,494	Other liability	730,626	172,034
Total	\$15,702,799	\$6,014,914	Workmen's comp.	3,948,924	2,055,525
			Fidelity	16,087	5,929
Globe Indemnity—Assets, \$68,704,300,			Surety	231,653	2,807
inc., \$3,811,247; unearned prem., \$17,-			Glass	108,362	55,007
742,743; loss res., \$25,050,356; capital, \$2,-			Burglary & theft	157,768	69,625
500,000; surplus, \$21,579,093, decr., \$543,-			Auto prop. damage	1,070,436	444,912
713.			Auto collision	1,149,002	342,486
Accident	\$ 574,382	\$ 257,602	Other P. D. & coll.	12,683	75,392
Health	189,428	86,656	Other auto	530,503	158,035
Group A. & H.	295,441	184,067	Totals	\$9,982,936	\$4,218,296
Auto liability	9,313,831	4,377,250			
Other liability	3,733,013	1,273,738	Norwich Union Indem.—Assets, \$3,024,-		
Workmen's comp.	3,664,591	4,147,698	297, inc., \$240,790; unearned prem., \$51,-		
Fidelity	909,580	185,910	613; loss res., \$1,025,071; capital, \$500,-		
Surety	536,334	272,525	000; surplus, \$1,325,344, inc., \$100,955.		
Glass	506,386	253,235	Accident	\$ 15,436	\$ 3,164
Burglary & theft	1,902,271	739,366	Auto liability	484,988	174,754
Boiler & machinery	516,986	208,049	Other liability	104,189	16,410
Auto prop. damage	4,393,499	2,404,007	Workmen's comp.	74,965	34,722
Auto collision	76,797	42,943	Glass	25,405	11,072
Other P. D. & coll.	626,339	172,300	Burglary & theft	36,964	8,486
Fire, etc.	2,619,990	722,358	Auto prop. damage	242,738	117,177
Totals	\$34,858,876	\$15,327,711	Auto collision	—261	101
			Other P. D. & coll.	10,094	1,904
Guarantee of N. A.—Assets, \$1,955,264,			Total	\$1,002,521	\$ 367,796
inc., \$17,661; unearned prem., \$180,020;					
loss res., \$97,649; surplus, \$1,600,335,			Ohio Casualty—Assets, \$28,434,061,		
inc., \$20,575.			Inc., \$5,672,562; unearned prem., \$12,032,-		
Fidelity	\$ 123,192	\$ 45,557	519; loss res., \$7,939,907; capital, \$1,500,-		
Surety	83,895	12,015	600; surplus, \$6,446,984, inc., \$117,147.		
Totals	\$ 207,087	\$ 57,572	Accident	\$ 13,236	\$ 2,544
			Auto liability	6,799,554	2,086,065
Guarantee, Cal.—Assets, \$2,867,905,			Other liability	1,467,688	181,885
inc., \$566,717; unearned prem., \$609,930;			Workmen's comp.	1,379,099	403,378
loss res., \$1,497,897; capital, \$200,130;			Fidelity	477,369	43,279
surplus, \$529,324, inc., \$63,755.			Surety	541,987	8,539
Auto liability	\$ 111,765	\$ 36,282	Glass	314,690	119,069
Other liability	170,928	27,934	Burglary & theft	805,499	192,161
Workmen's comp.	2,472,748	950,208	Misc. auto	18,797	3,313
Burglary & theft	38,537	15,112	Auto prop. damage	5,382,516	1,905,378
Auto prop. damage	62,905	26,047	Auto collision	3,985,765	1,317,698
Auto collision	38,787	11,421	Other P. D. & coll.	370,074	62,938
Other P. D. & coll.	61,268	13,905	Other auto	1,575,717	463,692
Other auto	18,544	6,256	Auto fire, theft	490,940	73,486
Totals	\$2,975,486	\$1,087,171	Total	\$23,622,938	\$6,863,417
Idaho Compensation—Assets, \$2,177,619,			Order Railway Emp.—Assets, \$1,212,-		
inc., \$477,305; unearned prem., \$45,538;			910, inc., \$26,727; unearned prem., \$7,-		
loss res., \$1,560,692; capital, \$250,000; sur-			314; loss res., \$270,963; surplus, \$805,-		
plus, \$354,366, decr., \$58,974.			930, inc., \$21,142.		
Workmen's comp.	\$1,848,665	\$ 846,011	A. & H. and hospital	\$934,596	\$ 270,963
Interboro Mutual Indem., N. Y.—As-					
sets, \$7,229,264, inc., \$302,627; unearned					
prem., \$857,645; loss res., \$4,158,354; sur-					
plus, \$1,545,672, decr., \$341,544.					
Auto liability	\$1,036,196	\$ 455,341			
Other liability	198,987	150,628			
Workmen's comp.	2,153,125	1,066,303			
Auto prop. damage	406,928	211,671			
Other P. D. & coll.	11,776	509			
Totals	\$3,807,012	\$1,884,452			
Massachusetts Protective—Assets, \$28,-					
510,929, inc., \$2,313,783; unearned prem.,					
\$3,016,234; loss res., \$4,813,268; capital,					
\$2,000,000.					
A. & H.	\$ 113,344	\$ 118,235			
Non-can. A. & H.	9,767,140	4,380,254			
Totals	\$9,880,484	\$4,498,489			

#### A-1 OPPORTUNITY

In Ohio, for Special Agent, or man with some insurance experience and with possibilities of developing into a field man. Address T-73, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

#### WANTED — CASUALTY ADJUSTER

Must be thoroughly experienced and capable of handling central Illinois territory, working out of Springfield. Our men know of this ad. Address T-72, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



ets, \$7,348,  
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<b>Paul Revere Life</b> —Assets, \$48,156,762, inc., \$6,295,930; unearned prem., \$1,250,000; loss res., \$533,039; capital \$1,150,000.		
	Net	Paid
	Prem.	Losses
Accident .....	\$ 60,158	\$ 16,286
Auto-liability .....	7,463,168	3,239,820
Totals .....	\$7,523,326	\$3,256,106
<b>Pioneer Mutual Comp., N. M.</b> —Assets, \$72,465, inc., \$97,533; unearned prem., \$12,040; loss res., \$107,982; surplus, \$16,000; decr., \$28,391.		
Auto liability .....	\$ 393,057	\$ 100,923
Other liability .....	23,907	10,854
Workmen's comp. ....	86,504	49,805
Auto prop. damage .....	261,872	110,448
Auto collision .....	560,665	320,378
Other auto .....	252,301	99,248
Cargo .....	3,474	873
Totals .....	\$1,581,782	\$ 692,531
<b>Reserve Life, Dallas</b> —Assets, \$3,339,000, inc., \$1,701,933; unearned prem., \$1,418,664; loss res., \$659,449; capital, \$900,000; surplus, \$601,797, inc., \$73,777.		
Accident .....	\$ 526,517	\$ 236,135
Health .....	173,643	79,434
Group A. & H. ....	270,821	168,728
Auto liability .....	8,537,678	4,012,479
Other liability .....	3,421,929	1,167,593
Workmen's comp. ....	7,942,542	3,802,057
Fidelity .....	833,781	170,418
Surety .....	491,639	249,814
Glass .....	464,187	232,132
Burglary & theft .....	1,743,748	677,752
Roller & machinery .....	473,904	190,711
Auto prop. damage .....	4,027,375	2,203,673
Auto collision .....	70,397	39,364
Other P. D. & coll. ....	574,144	157,942
Fire, etc. ....	2,619,990	722,358
Totals .....	\$32,172,302	\$14,110,598
<b>Rural Mutual Cas., Wis.</b> —Assets, \$1,012,222, inc., \$366,501; unearned prem., \$431,923; loss res., \$325,380; surplus, \$143,000, inc., \$20,487.		
Medical .....	\$ 154,473	\$ 58,341
Auto liability .....	393,002	101,659
Other liability .....	63,900	5,353
Fire, theft, wind, hail .....	25,550	2,692
Auto comp. ....	91,555	26,442
Auto prop. damage .....	166,652	80,874
Auto collision .....	306,465	133,874
Other P. D. & coll. ....	15,519	4,135
Livestock .....	12,517	3,316
Totals .....	\$1,229,633	\$ 416,486
<b>Union Casualty</b> —Assets, \$720,308, inc., \$18,263; unearned prem., \$69,348; loss res., \$259,720; capital \$200,000; surplus, \$340,115, inc., \$85,332.		
Accident .....	\$ 28,093	\$ 3,925
Health .....	112,372	26,524
Group A. & H. ....	1,434,051	810,681
Totals .....	\$1,574,516	\$ 846,130
<b>U. S. Casualty</b> —Assets, \$27,946,368, inc., \$2,836,882; unearned prem., \$6,907,000; loss res., \$12,323,057; capital, \$1,000,000; surplus, \$6,800,789, inc., \$451,463.		
Accident .....	\$ 214,433	\$ 68,571
Health .....	117,025	58,635
Group A. & H. ....	2,246	3,009
Auto liability .....	5,489,760	2,402,876
Other liability .....	2,141,320	689,443
Workmen's comp. ....	4,808,594	2,133,968
Fidelity .....	231,964	60,223
Surety .....	449,890	66,636
Glass .....	293,643	153,774
Burglary & theft .....	800,690	300,287
Auto prop. damage .....	2,424,612	1,493,672
Auto collision .....	47,759	40,993
Other P. D. & coll. ....	322,240	68,760
Other auto .....	840	103
Total .....	\$17,345,024	\$7,540,956
<b>Utica Mutual</b> —Assets, \$28,756,593, inc., \$2,276,646; unearned prem., \$6,785,637; loss res., \$15,053,838; surplus, \$6,183,063, inc., \$253,301.		
Accident .....	\$ 26,904	\$ 8,298
Auto liability .....	5,726,205	1,934,359
Other liability .....	714,843	144,129
Workmen's comp. ....	7,774,778	3,609,129
Glass .....	41,025	16,252
Burglary & theft .....	54,325	14,166
Auto prop. damage .....	2,355,037	1,089,659
Auto collision .....	330,843	81,914
Other P. D. & coll. ....	136,638	28,084
Other auto .....	74,467	5,812
Total .....	\$17,235,073	\$6,941,807
<b>West American</b> —Assets, \$2,237,583, inc., \$437,500; unearned prem., \$491,453; loss res., \$240,792; capital, \$600,000; surplus, \$1,383,260, decr., \$26,951.		
Auto liability .....	\$ 302,694	\$ 59,569
Other liability .....	37,480	3,551
Workmen's comp. ....	87,486	26,610
Fidelity .....	601	90
Surety .....	1,742	56
Glass .....	11,844	2,405
Burglary & theft .....	20,913	4,682
Misc. auto .....	253	.....
Auto prop. damage .....	181,898	40,939

# Ad Men to Ponder Public Attitudes on Insurance

About 100 are expected to attend the annual meeting of Mutual Insurance Advertising-Sales Conference March 28-29 at Hotel Statler, Buffalo. Theme of the meeting is current public attitudes toward insurance.

At the first session there will be discussion of what polls and market studies have revealed of public attitudes toward insurance. Principal speaker will be T. C. Budington of New York, who is engaged in such research for "Pathfinder" magazine. Topic of the second session will be the uses of publicity in relation to such public attitudes, with Walter E. Schneider, director of press relations and advertising of Institute of Life Insurance, as the speaker. The uses of supervision of sales forces in relation to public attitudes toward insurance will be the subject of E. C. Strandine, International Business Machines Corp., Albany.

The final session will be devoted to analysis by four speakers of specific areas in insurance company advertising which are believed to have possibilities of further development. Company-agency cooperation in advertising will be the topic of Walter E. Jackson, Indianapolis, public relations counsel. D. F. Rahlke, vice-president Hardware Mutual of Minnesota, will discuss the desirability of appealing to women in insurance advertising. Earle Heffley, Jr., Chicago, public relations department Lumbermens Mutual Casualty, will treat the importance of reaching the juvenile market. Frank E. Fitzgerald, advertising manager Grain Dealers National Mutual Fire, will analyze the possibilities of loss prevention as an aid to sales.

Chairman of the meeting will be B. F. Urch, Northwestern Mutual Fire, as chairman of the conference. Chairmen of the four sessions will be: C. R. Bishop, Lumbermens Mutual Casualty; K. L. Wright, Michigan Mutual Liability; S. F. Staples, Employers Mutuals, and L. K. Sharp, Mill Owners Mutual Fire of Des Moines.

Panel members include H. E. Mansker, Hardware Mutuals; F. F. Alexander, United Mutual Fire; E. D. Sirois, Mutual Fire Insurance Assn. of New England; L. A. Fitzgerald, American Mutual Alliance; C. J. Bailey, Mutual Implement & Hardware; H. A. Kern, Central Manufacturers Mutual; G. H. Howell, Merchants Mutual Casualty, and J. G. Claiborne, Texas Employers.

## Work on Mail Order Code

WASHINGTON—Because of the time required by federal trade commission officials to consider and revise the proposed trade practice rules for the mail order insurance industry, the outlook this week is that the second public hearing on this matter will not be held before April.

Reportedly, the revision is making the rules more severe than the form in which they were originally proposed by Wendell Berge, counsel of Assn. of Insurance Advertisers. It is pointed out that if the rules are too tough to be agreed to by industry members, more revision will be necessary. Should such a situation develop, it is believed, a third public hearing on the subject would probably be required, although such a hearing would be unusual in trade practice conference proceedings.

Dr. Robert C. Ruenitz spoke before Casualty Insurance Adjusters Assn. of Southern California on injuries and diseases of the lower back and certain phases of poliomyelitis.

Auto collision .....	191,061	36,606
Other P. D. & coll. ....	10,035	1,060
Other auto .....	56,972	15,163
Auto fire, theft .....	26,486	2,544
Total .....	\$ 929,472	\$ 193,281

# BUCKEYE UNION

means

## two strong companies

...strong in their belief in the American Agency System

...strong in prompt settlement of claims

...strong in field service to agents

### THE BUCKEYE UNION CASUALTY CO.

Automobile—General Liability—Burglary—Plate Glass Fidelity and Surety

### THE BUCKEYE UNION FIRE INS. CO.

Fire—Allied Lines—Inland Marine

Capital Stock Insurance Companies operating in Ohio, Indiana, Pennsylvania, Michigan and Kentucky

HOME OFFICES: 515 EAST BROAD STREET, COLUMBUS, OHIO

## And Now Milwaukee!

# O'HANLON REPORTS

110 William St., New York 7 Rector 2-5920

### ANNOUNCING . . .

the opening of our 26th branch office, located in the Loyalty Building, Milwaukee, under the management of E. H. Kennedy, and serving all of Wisconsin.

OTHER BRANCH OFFICES LOCATED IN THE FOLLOWING CITIES:

Albany, N. Y.	Detroit, Mich.	Providence, R. I.
Atlanta, Ga.	Hartford, Conn.	Rochester, N. Y.
Baltimore, Md.	Jamaica, L. I.	San Francisco, Cal.
Boston, Mass.	Los Angeles, Cal.	Syracuse, N. Y.
Buffalo, N. Y.	Miami, Fla.	St. Louis, Mo.
Charlotte, N. C.	Newark, N. J.	Utica, N. Y.
Chicago, Ill.	Philadelphia, Pa.	Washington, D. C.
Cleveland, O.	Pittsburgh, Pa.	White Plains, N. Y.

### FIRE - LIFE and CASUALTY REPORTS

Established in 1934

## Varied Chicago A. & H. Assn. Sales Congress Pulls in New Members

The highly variegated sales congress forum of Chicago Accident & Health Assn. proved its power to pull in new members. The conversions came at the close of a membership appeal by Jay DeYoung, Continental Casualty, who asked the audience to sign up immediately. A surprising number from the floor paid membership dues then and there.

Mr. DeYoung timed his appeal well, for it followed two of the liveliest and most meaningful speeches, that by Robert R. Tyler, general agent for Loyalty group at Wichita, and Edward H. O'Connor, Insurance Economics Society. Both speakers stressed and were living demonstrations of the value of association membership in this critical period.

Mr. Tyler, who is a comparative newcomer to association rostrums, proved himself the producer's man by calling upon companies to remove from contracts some of the "evils" which hamper sales and the public relations of the business. He admitted that where a claimant is angry because he receives a smaller benefit for a non-confining illness than for a confining illness, the

fault is often with the agent for failing to explain the non-confining clause. But he maintained it is the greater fault of the company for offering this type of product for sale. He indicated belief that an insured is entitled to the same indemnity when he is disabled from a non-confining illness. Mr. Tyler was talking on the opportunities for a young man in the business and it was to the younger men present that he was directing his remarks. He spoke about elimination of the non-confining clause as an opportunity for the young agent to bring pressure to improve and preserve the business.

### Raps Exclusions, Technicalities

Mr. Tyler leveled his lance at the accidental means clause, exclusions on nervous breakdowns and venereal disease, non-cancellable policies and technicalities affecting payment of total disability. He seconded Raymond Belknap, Occidental Life, who recently urged companies to discard restrictive and limiting clauses in their contracts and to draw up a uniform insuring clause for all companies. He indicated that as

much time should be spent in cleaning up the business as in learning new sales tricks and ideas.

Mr. Tyler characterized the A. & H. industry as sprawling and awkward, with neither agents nor companies as yet organized to work as a team. In the face of government threats, he indicated that the industry must rid itself of the traits



Don Compton



J. E. Powell

which gain unfavorable notice by the public.

He closed with the statement that armed with good standard policies building prestige, good strong associations combatting bad legislation and good cooperation with medical societies to see that the entire public is taken care of, the A. & H. salesman justly deserves the title of humanitarian.

In his vivid and forceful manner, Mr. O'Connor urged the industry to oppose from the outset government intrusion into the insurance field, whether on the federal or state level, and to compromise only where the cause seems hopeless. Mr. O'Connor said he has no faith in compulsory disability plans at the state level. They are inevitably political footballs and he opined that, unlike workmen's compensation, private companies will never be able to gear premiums to constantly expanding benefits. As an example, he cited the fact that in California there are 30 bills in the legislative hopper this year to increase UCD benefits.

Mr. O'Connor stated that this year there have been 50 compulsory disability bills in 16 states and measures have been killed only in Montana and New Mexico. He lamented the passing of UCD legislation in Washington last week, the first state to pass legislation where a tax was not already in effect on workers for unemployment compensation. He expressed fears that this might open the sluice gates in many of the other states.

Don Compton, vice-president of Combined, developed the theme which he has expounded before that only through a strong campaign of public information can the insurance industry compete with the propagandizing done at public expense by proponents of socialized insurance. He said that one of the biggest stumbling blocks in public relations is that people look on policies as some mysterious form of contract that they aren't supposed to understand. The industry must strive to get men who can fully explain coverage in layman's language, he said. The industry has an unparalleled opportunity to make every agent a walking information bureau, carrying the story of private enterprise to the general public.

Mr. Compton urged that a pool be created among companies to try new ideas leading to a solution of coverages for impaired risks, though he admitted he had no blueprint for such a scheme. He reiterated numerous points against socialized insurance and medicine as it exists in this country and in Great Britain.

In a visual presentation that was effective but is difficult to report, W. Stanley Stuart, district manager for General American Life, St. Louis, described the unique way he became acquainted with the possibilities in A. & H. selling. Mr. Stuart, a life man, was challenged by a home office executive of his company to write 100 accident and health applications in 25 days. Mr. Stuart responded to the stimulus, though he had sold very few such policies before, made 307 calls, which resulted

eventually in 102 sales during the 25-day period. He found that he could make one sale for every five calls, one sale for every 2.55 contacts and one sale for every 1.98 selling interviews. Each call he made was worth \$1.64 to him, each sale was worth \$8.15.

In establishing this record for salesmen with his company, Mr. Stuart came to realize the value of having a long range selling objective. He saw how important it is for a salesman to set a reasonable figure toward which he will drive. He learned the value of keeping records to enable him to evaluate the worth of each one of his movements to enable him to know just how hard and long he is going to have to work to realize a certain income. He came to appreciate the worth of hard concentration upon one specific coverage and one goal.

He started off his drive enthusiastic about the A. & H. selling, because a folder prepared by his company had just waked him up. He then came to realize that if he were to sell anything he would have to be filled with the same sort of enthusiasm for his product. Mr. Stuart's A. & H. selling led him on to much business in other lines.

Carl A. Ernst, North American Life & Casualty, St. Paul, spoke on the



Carl Ernst

"4 S's," which he listed as "seeing people," "speaking to him," "showing him," and "selling him."

On the first point he said many agents are blinded to prospects that they should recognize — people they would like to know and do business with. "Do I talk to them?" he asked.

"Many I do, but most I don't. Of those I do, I wonder about what I say," Mr. Ernst declared that there is no such thing as a stranger.

No  
Business  
Direct



NATIONAL SURETY  
CORPORATION

VINCENT CULLEN  
President

March 17, 1940  
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HAWKEYE • SECURITY • TWO OF THE FINEST



DO YOU BELIEVE  
That Nero Played  
A Violin While  
Rome Burned?

There is no evidence that  
he did; he was 50 miles  
from Rome and the violin  
only dates from the middle  
of the 16th Century.

YOU CAN ALWAYS BELIEVE...

... that Hawkeye-Security is working constantly to build more sales  
for agents.

Every service is provided to help agents step-up production providing  
service without red tape... prompt, equitable settlement of claims  
... skilled field representative to work closely with all agents.

Yes, here are two fine companies to do business with.

HAWKEYE CASUALTY CO.  
SECURITY FIRE INS. CO.

Des Moines, Iowa

HAWKEYE • SECURITY • TWO OF THE FINEST



People know people. Two people, strangers to each other, meeting for the first time, will sooner or later play the universal game of "Do you know . . . ?" The most important part of the agent's job is "people to talk to." "We've got to constantly be a walking and talking inquisitor," he said. "From questions come the answers to the jigsaw puzzle of life's problems."

If the agent plans to start his interview by talking about what his policy will do, Mr. Ernst's advice is: Don't. "Think about what he'll need when not working or earning money," he advised. "I'm more interested in money than what any policy will do for me. Stress forcibly what money I will receive, not what the policy will do, as I am the one concerned. Money talks, and talk money all the time."

#### Show What Income Will Do

On the "showing" side, he urged especially showing him what income insurance will do for him, as evidenced by claims paid. "Put him at home in bed or in a hospital in a cast. Let him smell the flowers. Start paying the benefits. Ask him if he would like to have these dollars when he is sick or hurt. His answer: 'Sure, how do I get them?' Tell him and show him about those claims." He urged using human interest stories. Even if the agent has to invent some, it is justifiable if it moves another wage-earner to buy protection.

After seeing him, speaking to him and showing him money in operation, Mr. Ernst advised: "Now sell him on you, your merchandise and your company. Sell him up over his ears. Why? Because that will keep him sold and we know that keeping him sold is most important because the business that pays is the business that stays."

#### Powell Refutes Planners' Claims

James E. Powell, vice-president Provident Life & Accident, luncheon speaker, who presented a devastating refutation of the arguments of advocates of compulsory health insurance, said he thought that topic was a pertinent one at a sales congress because it involves a big selling job on the part of A. & H. men.

He cited the claims that there is a large segment of the population which is unable to obtain proper medical care and then asked, in view of the fact all of the proposals contemplate a payroll deduction tax, how many of those who are unable to pay for medical care, most of whom are unemployed and often unemployable would be benefited.

"Would it not be only fair and honest," he asked, "to determine just whom we are trying to help and just how much this proposed plan of government compulsion will actually help those who need that help?"

He analyzed in some detail the proposed "social security amendments of 1949," and pointed out many provisions that the average person overlooks because of the great complexity of the bill.

#### Agent Has Vital Part

He declared that in this fight the agent's part is vital as he can carry it to the grass roots. The program he suggested for the agents was, first, to inform themselves to the greatest degree possible and secure accurate statistics, to present to friends, policyholders, luncheon clubs, discussion groups and similar bodies. He urged making contacts with doctors and hospitals, and get to the point where each one will be saying good things about the other.

He declared that the only one sure and certain antidote to the "bitter pill of compulsion" is to do such a good job that the need for compulsion will simply disappear. As the need disappears, all arguments for compulsion will likewise disappear.

"Let's sell more insurance than we have ever sold," he urged. "Let's sell even better insurance than we have sold in the past. And let's do a better job in the selling of it. Let's consider our competitor as someone to keep us on our toes, not someone from whom we can take a policyholder. Each of us wants

more insured, more premiums for ourselves, but right now it is equally important that we get more persons insured for the benefit of our industry. Cooperate with the companies in devising coverages which will do a better job, and sell each policy in a manner which will help the insured to understand its protection and be proud of it."

#### Tie Up Sale with Health

George Fitzsimmons, superintendent of agents of Continental Casualty's disability division, declared that the most important thing in life is health. If it is impaired, income is upset. Therefore he considers that one of the most effective ways of selling A. & H. insurance is to get the income protection idea across by tying it up with the prospect's health. The agent may have to listen to some long stories about the prospects' ills but if he's willing to do that, they will talk themselves into it. Furthermore, by asking them if there has been a complete recovery and whether there were any complications, he can find out immediately if they are insurable.

"We are selling paycheck protection," he said, "and it's necessary to hold that purpose out in front all the time."

He declared that the least the agent

has to say about his policy, if he can make the sale and get the money, the better salesman he is. He believes in letting the prospect talk and says "that's the way to get him to like you." More agents have talked themselves out of a sale than into one.

He said many agents do not understand or appreciate their responsibility. Instead of calling the prospect a dumb jerk if he fails to buy, the agent should look into what's wrong with himself. If a man the agent has failed to sell meets with a major catastrophe, with the result that his wife has to take in washing and his children go shabbily dressed, it's agent's fault.

If an agent never has had the experience of delivering a claim check to a wife who can't wait to get out with it to buy groceries, he has missed something, Mr. Fitzsimmons said. It creates a feeling inside him that will be more effective in enabling him to make more sales and larger ones than any smart sales tactics.

John B. Lambert, Mutual Benefit H. & A., Cleveland, who has demonstrated his ability as a speaker as well as his knowledge of unusual sales methods at a number of sales congresses, speaking on "Putting Color Into Your Sales Talk," gave a number of graphic illustrations of how he does it. He believes strongly in the use of emotion in selling. He said that logic can set up a good sales talk, but it needs emotion to close. He said the distance from a man's heart to his pocketbook is much less than from his head, and therefore that is the path to follow.

In opening his talk Mr. Lambert, who is general chairman for the annual meeting of the National association at Cleveland next June, urged attendance at that convention.

#### Jones Talks on Personality

Wesley J. A. Jones, executive secretary of the National association, declared that sales success depends on personality, which he defined as the ability to influence the decisions of other people. He said it can be developed and listed among personality factors a genial smile, willingness and ability to talk, but not too much; asking the other fellow questions about himself, showing interest in what he is doing, and passing out bouquets—admiring what other people have.

He declared that the salesman is above all selling himself, which means his personality.

E. H. (Count) Mueller of Milwaukee, past president of the National association,

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tion, closed the congress with a brief talk on the benefits to be obtained from such gatherings and declared that they far outweigh the petty cost of association membership.

Sizable contingents from both the Milwaukee and Peoria associations were in attendance and their officers were seated at the head table at the luncheon.

President Irving Wessman of the Chicago association announced that the women's division will have charge of the April meeting, at which the speakers will be Mrs. Helen Stevens Fisher, president Illinois Women's Press Assn., and Melvin J. Evans on "Human Engineering in A. & H." R. J. Wetterlund, Washington National, will speak May 17, which will be the annual meeting, and the annual outing will be held June 17 at St. Andrew's Country Club.

### Jewel Claim Defense Makes Headlines

NEW YORK — Daily newspapers here are raising a to do over Mercury's suit in federal court to invalidate an insurance policy covering \$156,500 worth of jewels said to have been stolen Jan. 6 from Lisette Vereia, Rumanian actress and Erhart Ruegg, textile manufacturer. The company has charged in its complaint that the two people were not married when they took out the policy in February, 1948. It says that Mr. Ruegg was and is still married to another woman. Consequently, it alleges they have invalidated the policy by supplying information which was false and fraudulent.

### No Marks of Forced Entry

Detectives who investigated said there were no marks of forced entry on the apartment door and that the burglars must have used a pass key and also that building attendants reported having seen no one in the building that did not belong there. Neither Miss Vereia nor Mr. Ruegg have answered the company's complaint yet but their lawyer said, "This case is a new variation of an old insurance company theme. They love to receive premiums but they hate to pay losses."

### Ask \$25,000 Ill. Ceiling

Legislation has been introduced in the Illinois assembly to raise from \$15,000 to \$25,000 the amount of money recoverable on accidental deaths arising from negligence. The ceiling was raised from \$10,000 to \$15,000 in 1947.

Bills introduced in the senate would allow local mutual district insurance companies to insure tractors and other farm implements. They would be permitted also to amend their charter in order to extend territories to additional townships.

### Work on Mail Order Code

WASHINGTON—Because of the time required by federal trade commission officials to consider and revise the proposed trade practice rules for the mail order insurance industry, the outlook this week is that the second public hearing on this matter will not be held before April.

Reportedly, the revision is making the rules more severe than the form in which they were originally proposed by Wendell Berge, counsel of Assn. of Insurance Advertisers. It is pointed out that if the rules are too tough to be agreed to by industry members, more revision will be necessary. Should such a situation develop, it is believed, a third public hearing on the subject would probably be required, although such a hearing would be unusual in trade practice conference proceedings.

### New Mexico UCD Bill Dies

A bill in the New Mexico legislature calling for an unemployment compensation disability law like California's died in committee when the legislature adjourned late last week.

## C. W. Olson Is New President of Bond Producers

### Much Ground Covered at Annual Gathering at New York

NEW YORK—The impact upon the surety business of recent judicial deci-

sions featured the addresses at the annual meeting of National Assn. of Surety Bond Producers in New York. About 50 members of the association attended. In the absence of President Durel Black, New Orleans, who was ill, C. W. Olson, Jr., Chicago, first vice-president, presided.

Martin W. Lewis, general manager Surety Assn. of America, urged the producers to service even the least important client with the minimum bond requirement and to participate wholeheartedly in combating erroneous trends concerning surety bonds which lead to changes in existing bonding procedures, contrary to the public welfare.

He discussed developments of importance to the business, including the Backman study of the economics of the surety business. Constructive criticisms and recommendations offered concerning this study, he said, evidence the widespread interest the report has aroused.

The importance of the decision of the Supreme Court in U.S. vs. Munsey Trust Co. as it affects contract bonding was emphasized by Ray Murphy, general counsel of Assn. of Casualty & Surety Companies.

### Cites Past Theory

For many years the surety companies, Mr. Murphy said, in fixing their premiums and in underwriting relied on established procedure that the specified contract price would be paid as provided by the contract, and that if the surety were obliged to complete performance of the contract, the portion of the contract fund remaining in the hands of the

one for whom the contract was performed would be available for the reimbursement of the surety.

A long line of decisions supported this contention, he said, but by reason of the Munsey Trust decision the federal government has been able to set off against percentages of the contract price retained by the government on government construction contracts, debts owed by the defaulting contractor to the government, which debts were independent of and had no connection with, and did not arise from the particular contract concerned.

### Need to Restore Position

"If the decision in the Munsey Trust case stands uncorrected, either by the Supreme Court or by legislative action, the effects of the decision will be seriously adverse to the rights of the surety companies. Something must be done to restore the sureties to the position which they had prior to the Munsey Trust Co. case—a position essential to the underwriting of contract bonds."

Four open discussions were led by H. F. Warner, Kansas City. They concerned acquisition costs of the surety bond producer; the increasing tendency of losses on contract bonds; a general discussion of commercial blanket bonds and blanket position bonds, and the study of the surety business prepared by Dr. Backman, which was analyzed in an audio-visual approach by Elmer C. Anderson, assistant secretary Surety Assn. of America.

The viewpoint of the navy was presented by Captain J. F. Jelley, USN, deputy chief, Bureau of Yards and Docks, Arlington, Va., who discussed the contractual and bonding policies of his bureau.

The construction industry viewpoint was presented by Charles M. Upham, executive director, American Road Builders' Assn., Washington.

The concluding session was featured by business discussions, including problems of countersignature; contract specifications as related to local surety control, and the recently promulgated public official blanket bonds.

An engineer's view of the surety business was afforded by W. N. Carey, executive secretary of the American Society of Civil Engineers, who addressed the closing session. He advocated a greater number of engineers in the surety business and also some uniform but complete method of investigating and reporting on the past performance records of contractor-customers by engineers and architects.

The meeting was concluded with elec-

tion of officers. C. W. Olson, Jr., Chicago, was elected president; William H. Kreidler, Cincinnati, first vice-president; S. Hammond Story, Atlanta, second vice-president; and Jack East Little Rock, third vice-president. R. Phelps Smith, Nashville, was re-elected secretary-treasurer.

Four new members were elected to the executive committee. They are H. F. Warner, Kansas City; Robert L. Cobb, Minneapolis; Morris Moulton, Nashville, and Erlon M. Dunlap, Auburn, Me. They succeed Ted C. Field, St. Paul, and J. B. Waters, Jacksonville, whose terms had expired, and Messrs. Story and East, who were elected officers of the association. Mr. Waters was chairman of the nominating committee.

### Md. Cas. Pays Hold-Up Loss of Bank in 4 Hours

Maryland Casualty has the blanket bond on First National Bank of Maywood, the Chicago suburb, and within four hours paid the \$18,000 messenger hold-up loss that the bank suffered Tuesday. Louis E. Nelson, treasurer of Cook county, is president of the bank.

Five armed robbers seized the money from a bank messenger and two unarmed guards as they were taking the funds from the bank to the check cashing window of the bank at Veterans hospital near Maywood. Two of the hold-up gang in an automobile forced the car of the bank messenger and guards to come to a stop in a busy Maywood street. Then the other three hold-up men pulled up in another car and the containers of money were quickly seized.

Harold P. Jackson, president of Bankers Indemnity and chairman of national committee for traffic safety, has been named as a member of the committee on organized public support for the President's Highway Safety Conference to be held at Washington June 1-3.

Rudolph F. King, Massachusetts state registrar of motor vehicles, has been named executive director of the conference. The general chairman is Maj. Gen. P. B. Fleming.

Sterling T. Tooker, secretary of the personnel department of Travelers, addressed Hartford chapter of National Office Management Assn.

Casualty Managers Assn. of New York City was host at the March luncheon to the heads of local brokers associations and members of the trade press.

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# First State Without Kitty Enacts UCD Legislation

(CONTINUED FROM PAGE 23)

pay any or all of the contribution was stricken from the bill. However, there is a provision that if at any pay period the employer fails to deduct the contribution from the wages paid the deduction must be withheld from wages paid at the next pay period or the employer alone shall be liable for such contributions and "the same shall not subsequently be deducted by the employer from wages paid."

The state fund is required to pay 1% into the general fund, this being the equivalent of the premium tax paid by domestic insurers.

A provision for experience rating, permitting a reduction in the 1% contribution or an increase to as high as 1½% was stricken from the bill in an amendment from the house floor.

Refund of payroll contribution in excess of \$3,000 annual wages is provided.

With reference to private plans, the commissioner may assess up to 2% of the premium for administrative expense in supervising the private plans, the assessment to be paid by the insurer.

A private plan may be approved if written with an insurer, and an employer who furnishes proof of financial ability may qualify as a self-insurer. Provision is also made for employees' associations handling private plans, subject to rules promulgated by the commissioner.

## Passed by Narrow Margin

The senate passed the UCD measure by the narrow margin of a single vote, 23 to 22.

The maneuver by backers of the UCD bill was to tack the measure on to senate bill 164 having to do with unemployment compensation credits. The latter measure had passed the senate and when it reached the house proponents of the UCD bill—which had previously been bottled up in the senate rules committee and appeared to be dead—attached the entire measure as an amendment to senate bill 164. The social security committee rapidly reported the measure out with a "do pass" recommendation and the house passed the bill by an overwhelming margin.

In the senate, where opponents of the UCD measure had strong backing, a heated floor battle ensued. The maneuver short-circuited the rules committee and enabled the backers to get a vote on the measure.

Under the rules procedure the vote to concur or not to concur in the house amendment was in order. The roll call vote showed 23 in favor of concurring. Had the proposal been in the form of a bill on its own it would have failed to gain the necessary constitutional majority of 24. However, in view of the fact that the measure was an amendment to another bill, only a simple majority was necessary to pass the amendment. Following concurrence in the house amendment the entire bill was voted on and this showed 26 to 19 for enacting senate bill 164.

Progress of the bill through the legislature stirred up something of a fight within the insurance business in the state. Some insurance men felt that if some of the out-of-state group writing companies had not acquiesced in the proposal it would not have got through the legislature. On the other hand, a number of the companies have felt that it was better to go along with a measure that would permit private plans than to oppose all UCD efforts and probably be faced with a monopolistic state fund plan.

## Surety Wins Judgment

ST. LOUIS—A jury in St. Louis circuit court awarded judgment for \$203,100 in favor of Travelers Indemnity in its damage suit against Wallick & Osborne Construction & Equipment Co. of St. Louis.

The action grew out of two surety

bonds for \$445,160 each executed for the contractors by Travelers in June, 1947, in connection with a War Department contract for the construction of a setback levee in Schuyler county, Illinois.

In October of that year, Travelers alleged the contractor announced that it was unable to complete the work, and Travelers had to pay \$97,683 on a labor and material bond, spend \$230,000 for completion of the work by another contractor and to make other final outlays.

In the suit it sought total damages of \$358,686. The officers of Wallick & Osborne contended that Travelers had failed to comply with a mutual agreement for an accounting upon completion of the project by not crediting the contractor with equipment left on the job. They further contended that the work had not been completed by the firm to which it was awarded by Travelers Indemnity and that profits from it could not be computed.

Quebec province is to have a financial responsibility law similar to those in effect in Ontario and Manitoba. Quebec currently has the worst record of any Canadian province in the matter of automobile accidents and its rates are the highest.

National Surety has appointed Robert W. Cook, Jr., special agent in northern California.

# Navy, Highway Interests Praise Surety Service

(CONTINUED ON PAGE 23)

written for \$86,000 on a painting contractor. When the low bidder discovered the second low bid was \$60,000 higher than the \$86,000, he refused to accept the award. The surety then discovered that the low bidder was a journeyman painter who had never grossed more than \$8,000 per year. He was 69 years old and had no assets. He had only once before bid on a public job and didn't know how to read specifications. He had omitted many obvious items in his bid. The surety did not check up before writing a bid bond.

The speaker said he realizes that the \$5 bid bond premium does not warrant an extensive investigation, but the navy pays for good service. Last year the surety companies collected more than \$500,000 in bid and performance bond premiums on navy yard and dock contracts. The bureau has a right to expect the surety companies will not issue bonds to contractors that they do not know well unless they investigate thoroughly.

The bureau seldom collects on a bid bond, but he said that one of these days the surety company will be burned if its agents do not exercise more care.

He warned that the policies of the bureau are subject to change. In connection with the unification of the armed services, contract procedures are being studied by various committees and sub-committees. Undoubtedly, this will eventuate in more uniform requirements and interpretations of contract provisions. This will make it easier for the contractor who does business with both the army engineers and the bureau of yards and docks.

He concluded by emphasizing that the surety companies have responsibility to discourage contractors who do not have the financial backing or who lack the "know-how" from undertaking work for the navy bureau.

## Opens Milwaukee Office

O'Hanlon Reports has opened a Milwaukee office in charge of E. Harold Kennedy, recently with Hooper-Holmes Bureau, who has been an insurance investigator there for 10 years.

## Talk on Fake Claims

James R. Duncan, manager of Texas Industrial Survey, spoke to San Antonio Claims Men's Assn. on fraudulent personal injury suits and claims and showed a film depicting how fake claimants have been exposed.

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## N. Y. Unveils UCD Plan on W. C. Model

(CONTINUED FROM PAGE 23)

1, 1950 to July 1, 1950. To maintain that fund thereafter, annual assessments will be made against self-insured employers, insurance company and approved welfare plans.

Sponsors of this bill point out that there will be no charge on public funds or tax revenues, and that there will be no need for the establishment of a new agency to supervise the program.

### CIO Viewpoint

Although AFL is understood to be supporting the measure CIO is reportedly strongly opposing it. CIO asks that the entire cost of the program be met by using unemployment insurance tax rebates granted employers under the merit rating law rather than by charges on employers and employees as the bill suggests.

Proponents of the measure state that it is superior to the New Jersey type plan because the program subjects the state fund to the same regulations and taxation as the private companies.

Representatives of management, organized labor and the insurance business assisted the state in preparing the

legislation. It may be regarded, therefore, as the form of cash sickness and disability legislation that has the general acceptance of the groups that are most directly affected by it.

### FLA. EXPLORES UCD IDEA

At a meeting of Florida industrial commission at Tampa, the question of desirability of an unemployment compensation disability scheme was aired. The question was put forward by the commission in order to sound public sentiment. A number of insurance men expressed opposition to such a program.

B. T. Coleman, general counsel of Florida state employment service, said the benefits would be financed by a 1% tax on employees and the employer would contribute nothing.

Labor leaders announced they are seeking an increase in range of workmen's compensation payments from \$12 to \$28 a week for life in event of total disability as against the present scale of \$4 to \$22 for 350 weeks.

Attorney General Ervin was asked by Florida industrial commission to give an

opinion on whether a payroll tax on employees to finance an unemployment compensation disability act is barred by the prohibition in the Florida constitution of state imposition of an income tax. The attorney general said the question cannot be answered with any degree of assurance, because only the court in a proper case, considering a law that has been enacted, with its terms, provisions, and details, could give the answer.

Mr. Ervin cited a case holding that a municipal license tax against lawyers with increased levies based on increased receipts was an income tax; another, that an attempt to exact intangible tax upon net income derived from trust was income tax; that license tax based upon gross receipts of corporations received for electricity, etc., was an excise and not an income tax, and a law providing retirement system for county officers and employees which required withholding part of compensation is valid legislation.

### Cahill Stresses Need of Rating Plan Consistency

(CONTINUED FROM PAGE 23)

rate revision filings are being made throughout the country. The auto liability experience for policy years 1946 and '47 has been reviewed to serve as the basis for rate revision filings.

By regular, periodic manual rate revisions based on experience, the hope is to keep the rates for risks rated on a manual basis in line with experience indications and on an accurate basis meeting the statutory requirements.

With the general introduction of rate regulatory laws it has been necessary to substitute formal systems of rating plans for the almost unrestricted exercise of underwriting judgment previously permissible in the rating of risks whose premium size and characteristics justified individual risk rating to measure differences from average. There is not much evidence so far to justify fear that there will be a trend towards uniformity of rates and rigidity of rating procedures on the part of all insurers. Most statutes emphasize that neither uniformity of rates nor rating procedures is contemplated or required, and several laws specifically provide that considerable flexibility in rating procedures is permissible. Also in a number of states where uniform rates, except for approved deviations, were in effect for certain kinds of insurance for many years prior to the S.E.U.A. decision, there have been developments designed to permit non-uniformity in rates and more realistic rating procedures.

### Action in New York

For instance, New York recently approved new rating plans designed to produce more accurate rates and premiums for eligible risks and has accepted independent rate filings on the part of insurers not affiliated with a rating organization. In New Hampshire and Virginia, the auto liability rate regulatory statutes were amended to make it clear that uniformity of rates on the part of all insurers is not required.

Objection is taken to uniformity of rates and rigidity in rating procedures, because without the stimulus of competitive thinking, the best interests of insured will not be served. Also, unless the rating methods are extremely accurate and produce proper charges for both losses and expenses on all sizes of risks, there will be a tendency for the more profitable classes and the more profitable risk sizes to be written by specialty or participating companies where any excess premium charges under the uniform rate structures can be returned to policyholders.

Under uniform rate structures it often is difficult to modernize rating plans in the direction of responsiveness because of the opposition of the insurers who feel that their operations may be hurt. There are still some important states that have not come into line on the

workmen's compensation rating program and this creates difficulty for stock companies and their agents in holding their own or improving their position in the field.

### American H. & L. Names Cole, Conner, Cantwell

American Hospital & Life of San Antonio has elected Stanley Cole, acting agency director, as agency director and has elected Joseph J. Conner superintendent of agencies. The resignation of Raymond Strong as actuary has been accepted. He has joined Combined American of Dallas as actuary.

Wallace Cantwell, who has been vice-president in charge of group and franchise insurance at Reserve Life, has been appointed manager of American H. & L.'s A. & H. department.

### Wis. Nat'l Milwaukee Rally

Field men of the Alfred K. Perego agency of Wisconsin National Life at Milwaukee attended a regional sales conference there. President R. P. Boardman was luncheon speaker Monday. S. S. Yaudes, Time, instructor of the University of Wisconsin A. & H. course at Milwaukee, discussed "University Training of A. & H. Underwriters" at the dinner.

### Take Special Risks Posts

Continental Casualty has named Robert F. Donohue chief underwriter in the A & H special risks division and Paul E. Bergan home office service supervisor. Mr. Donohue has been in the division since 1948 and previously was a life and A. & H. agent. Mr. Bergan was a general insurance agent for several years and, after two years in the navy, became senior examiner for the Indiana department.

Joseph Green, Home Indemnity, was moderator at a fidelity and surety claim discussion at the monthly meeting of Surety Claim Men's Forum of New York. Jay Shereff, Home Indemnity, presided. At the March 24 meeting, Alex Kerner, U. S. Guarantee, will preside.

J. Nick Koerner, 87, who for many years was connected with the Ohio department, died at his home at Columbus. He will be recalled by many of the older men in the business. After leaving the Ohio department some years ago he was associated with an insurance company at Columbus.

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CAL. 1948 CASUALTY EXPERIENCE

(CONTINUED FROM PAGE 32)

	Net Premia.	Paid Losses		Net Premia.	Paid Losses
Amer. Mutual Liab.	99,408	49,370	Merchants Indem.	154	.....
Amer. Reins.	43,839	4,582	Metropolitan Cas.	174,977	50,681
Anchor Cas.	.....	.....	National Cas.	1,115,873	525,604
Associated Indem.	395,882	656,821	New Amst. Cas.	17,242	4,042
Atlas Life	45,363	17,489	Norwich Union Ind.	1,726	—20
Bankers Indem.	645	95	Northwestern, Wash.	486	124
Bankers Life, Ia.	419,254	258,733	Ocean Accident	115,364	43,979
Bankers Natl. Life	78	.....	Ohio Cas.	1,365	256
Beneficial Stand. Life	2,264,789	570,554	Order Ry. Empl.	472,795	285,145
Benefit Assn. Ry. Empl.	65,511	49,744	Ohio Farmers Ind.	1,305	9,958
B. M. A.	742,390	328,586	Pacific Employers	301,739	161,723
Cal.-West. States Life	6,840,175	3,647,570	Phoenix Ind.	69,667	16,281
Car & General	109	191	Preferred Acc.	27,893	3,092
Central Life, Ill.	5,198	2,417	Royal Ind.	64,058	14,831
Century Surety	566	.....	St. Paul-Merc.	2,003	1,045
Century Indemnity	4,760	1,584	Standard Acc.	572,905	205,336
Citizens Life & Cas.	132,124	17,212	Sun Indemnity	4,306	912
Columbia Cas.	29,151	12,847	Travelers	5,163,595	3,085,089
Columbus Mut. Life	12	.....	United Natl. Ind.	86	.....
Commercial Cas.	147,861	50,297	United Pacific	12,469	6,249
Conn. General Life	1,832,789	1,235,066	U. S. Casualty	10,316	6,261
Continental Assur.	100,162	36,089	U. S. Guarantee	3,446	2,181
Continental Cas.	1,857,330	817,098	U. S. F. & G.	74,764	45,242
Eagle Indemnity	13,596	4,885	Western Casualty	2,002	3,150
Employers Liab.	25,542	11,205	Western Trav. Acc.	26,897	12,693
Employers Mut. Liab.	23,354	6,327	Zurich	682,444	389,223
Employers Reins.	70,834	21,544	Totals	140,809,235	20,728,488
European Gen. Re.	146,800	52,449	1947	58,288,039	25,545,200
Farmers Exchange	22,394	5,757	1946	43,409,039	19,323,942
Federal Life & Cas.	100,550	32,058			
Fidelity & Cas.	837,404	463,877			
Fidelity Natl. Life	213,975	320,951			
Fireman's Fund Ind.	168,259	3,732			
Franklin Life	212,930	115,169			
General Accident	22,408	6,467			
General Amer. Life	272,269	107,644			
Globe Indemnity	103,461	57,221			
Globe State Mut. Life	22,870	6,836			
Great Amer. Ind.	65,829	20,936			
Great Northern Life	1,066,154	344,863			
Guarantee Mut. Life	48,850	13,900			
Guarantee Union	165,627	44,332			
Hardware Mut. Cas.	836	.....			
Hartford Acc.	157,600	61,612			
Home Indemnity	216,791	116,525			
Indemnity of N. A.	263,666	94,695			
Inter-Ocean	4,914	476			
Inter-State Assur.	152,302	21,546			
John Hancock	182,036	51,829			
Liberty Mutual	28,736	10,746			
Lincoln Natl. Life	236,988	135,592			
Lond. & Lanc. Ind.	24,817	10,878			
London Guarantee	77,212	32,398			
Loyal Protective Life	8,971	3,860			
Lumbermen's M. C., Ill.	210,150	58,802			
Manufacturers Cas.	1,262,272	487,826			
Maryland Cas.	21	14			
Mass. Indem.	200,650	66,624			
	463,064	107,493			

30<sup>th</sup> ANNUAL  
CONDENSED  
FINANCIAL STATEMENT

DECEMBER 31, 1948

NATIONAL  
Automobile and Casualty  
Insurance Co.

HOME OFFICE: LOS ANGELES

ALL FORMS OF CASUALTY INSURANCE AND BONDS

In Accordance with Requirements of the National Association of Insurance Commissioners

ASSETS

Cash in Banks and on Hand	\$ 1,196,418.91
United States Government Bonds*	7,687,263.40
State, County and Municipal Bonds*	375,721.00
Real Estate—Home Office Building	795,686.02
Premiums Outstanding—Not Overdue	1,955,824.65
Other Admitted Assets	287,137.28
TOTAL ADMITTED ASSETS	\$12,298,051.26

LIABILITIES

Reserve for Losses and Loss Expense	\$ 5,201,305.76
Reserve for Unearned Premiums	3,769,481.73
Reserve for Federal and State Taxes	421,340.65
Other Reserves	460,510.53
TOTAL LIABILITIES	\$ 9,852,638.67
Capital Paid-Up	\$1,000,000.00
Surplus	1,445,412.59
SURPLUS TO POLICYHOLDERS	\$ 2,445,412.59
TOTAL	\$12,298,051.26

\*At amortized values.

On the basis of December 31, 1948, market quotations on Bonds, Total Admitted Assets would be increased to \$12,392,510.86 and Surplus to Policyholders would be increased to \$2,539,872.19.

Gen. Cas., Wash. .... 12,433  
Globe Indem. .... 30,175  
Hartford Steam Boiler... 612,030  
London Guar. .... 6,430  
Lumbermen's Mut. Cas. 119,619  
Maryland Cas. .... 89,023  
Ocean Acc. .... 57,893  
Phoenix Indem. .... 5,135  
Royal Indem. .... 34,579

Totals ..... \$1,143,978  
1947 ..... 1,242,858  
1946 ..... 873,348

**LIVESTOCK**

Hartford Accident ..... \$ 6,492  
Hartford Livestock ..... 177,481

Totals ..... \$ 183,933  
1947 ..... 195,084  
1946 ..... 161,512

**CREDIT**

Amer. Credit Indem. .... \$ 68,405  
Empl. Reins. .... 13,547  
European Gen. Re. .... 13,873  
London Guar. .... 70,609

Totals ..... \$ 166,425  
1947 ..... 97,159  
1946 ..... 16,212

Prevention Department"; W. E. Humphreys, manager at Houston, who gave the agents' viewpoint in relation to home office problems; J. S. Pieringer, Jr., secretary, on personnel and job evaluation, and Paul R. Kautz, assistant secretary, on automobile upkeep.

Mr. Mansfield and Mr. Stewart led discussion periods on production and underwriting. Participating were Mr. Pieringer, Harry Caulkert, manager of fire underwriting; Del Barron, manager of the bonding department, and Hubert Hales, underwriter.

J. W. Jordan, vice-president in charge of the claims department, presided over the claim session. Other speakers were C. L. Chambers, assistant vice-president; H. E. Naschke of the fire claims staff and H. L. Adkison, claims attorney.

**Hike Pa. O. D. Payments**

HARRISBURG, PA.—Administration-backed legislation to increase occupational disease payments in Pennsylvania from a maximum of \$20 to \$23 a week has been amended by the workmen's compensation committee in the house to up the top payment to \$25, in line with bills introduced with approval of the department of labor.

Mine owners objected to a \$25 maximum unless miners asthma was removed from the law as a compensable occupational disease, to which labor unions vigorously objected.

**Commercial Standard Rally Observes 25th Anniversary**

Greater diversification of business and the attainment of a \$1 million surplus account were the two goals set for 1949 at the field meeting of Commercial Standard at Fort Worth, marking the company's 25th anniversary. It is active in 16 states.

Raymond E. Buck, chairman, and Karl F. Vasen, president, emphasized the financial objectives, and stated that the present surplus to policyholders is \$1,647,000. Harry F. Hiegal, vice-president and agency director, urged the field men to increase writings of miscellaneous lines, but cautioned against a too rapid increase in premium volume.

Other general session speakers were C. L. Mansfield, vice-president, who discussed the garage liability policy; R. C. Stewart, vice-president, on group and schedule W.C. analysis; Ed Hunter, director, on "Endeavors of the Accident

**Ind. "Comp" Benefits Upped**

An Indiana bill increasing maximum workmen's compensation and occupational diseases benefits from \$20.08 to \$23.10 a week has been signed by Gov. Schricker. Minimums were also increased, from \$1 a week to \$12.10.

The legislature has now adjourned.

**Hawaii Approves Plan D**

Hawaii Casualty & Surety Rating Bureau has issued its approval for use of retrospective rating plan D.

# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Cahill Confers with Va. Agents Assn. Officials

RICHMOND—James M. Cahill, secretary of National Bureau of Casualty & Surety Underwriters, was slated to confer here this week with directors of Virginia Assn. of Insurance Agents on the new casualty rate regulatory laws. Filings of casualty companies have been made with the state corporation commission and a hearing is scheduled for March 22. Mr. Cahill, it is understood, will remain over for that hearing. He will also discuss with directors of the Virginia association the future rating program of National Bureau.

Before their conference with Mr. Cahill, the directors met to discuss plans for the annual meeting at Roanoke June 16-18 and other matters.

The legislative committee met the day before. T. W. Henderson of Norfolk is chairman of that committee and also a director of the association.

### Region V Women to Meet

MILWAUKEE—Region V meeting of National Assn. of Insurance Women will be held here March 19-20. Christine Sachs, regional director, will preside. Mrs. Clarkie King, Coral Gables, national president, will speak. The business session Saturday afternoon will be followed by a cocktail party and banquet at which Dr. Paul Mundie, consulting psychologist, will discuss "Development of Personal Effectiveness." There will be a breakfast session and business meeting Sunday, concluding with a tea Sunday afternoon.

Officers elected by the Milwaukee group, to be installed next month, are Florence Fox, Laub agency, president; Christine Sachs, Dobbert agency, vice-president; Marie Dries, Loyalty group, treasurer; Dorothy Hall, Hall agency, and Mayme Schuch, Henry Gollusch & Son, secretaries.

### O.K. New St. Paul By-laws

ST. PAUL—Insurance Agents Assn. of St. Paul has adopted in toto the revised by-laws as drawn by Walter H. Bennett, counsel of N.A.I.A. The new by-laws include casualty and surety business without, however, making it subject to the in-and-out or non-intercourse rule. They permit the president and vice-president to serve two terms, cut membership fees from \$100 to \$25 and raise solicitors fees from \$5 to \$10.

Mrs. Dorothy Miller has been engaged as part-time assistant to Secretary Herbert Matteson, thus permitting him to devote more time to his own agency work.

### Minn. Rejects N. Y. Policy

ST. PAUL — Indications now are that the move to replace the Minnesota standard fire policy with the New York policy is dead as far as the present session of the legislature is concerned. But one change in the Minnesota policy is likely. A house bill which has the backing of Minnesota Assn. of Insurance Agents amends the present policy to include fire losses resulting from riot or civil commotion.

### Permanent F.P. Group

MINNEAPOLIS—Insurance Club of Minneapolis has named a permanent committee to work with city officials to get better fire protection. It includes John E. Jackson, manager of Home, chairman; Carl W. Johnson, Don Miller Co.; Stan Friedland, C. W. Sexton Co., and Neil Selvig, Anderson Insurance & Investment Co.

### Ohio House Passes Bill Aimed at Auto Salesmen

COLUMBUS—The Ohio house, by a vote of 105 to 23, has passed and sent to the senate a bill which would give the superintendent of insurance power to revoke or refuse to issue or renew insurance agents' licenses where, upon hearing, he has found that the principal business of the agent is to sell insurance on products which he sells. The bill is aimed at automobile salesmen who sell insurance on automobiles which they handle.

### Would Provide Housing

Mutual Implement & Hardware of Owatonna, Minn., has its own housing problem and has gone to the legislature for relief. The company's growth has forced it to hire a number of additional employees from outside Owatonna and there are no housing facilities for them. So the company has had Speaker Hartle sponsor a bill to permit domestic insurers to buy and hold real estate for the purpose of housing employees. It has been reported out by the house insurance committee.

### Intervene in Tax Bill

ST. PAUL—Firemen's relief associations in the three large cities of the state have intervened in the action brought by a policyholder to have the 2% surtax on fire policies declared unconstitutional. They now become defendants along with Aetna Fire, Commissioner Harris and others.

The case was filed nearly a year ago but has not come to trial.

### Ohio Mutual Agents to Meet

Ohio Assn. of Mutual Insurance Agents will hold its annual meeting May 12-13 at Columbus. R. A. Shenefield of Toledo is now president of the association.

### Agency Management Panel

Insurance Board of Cleveland will hold a panel discussion on agency management and operation March 17. Speakers will be E. E. Evans, J. R. Fraver, J. Hannon and W. H. Levering.

## EAST

### W. A. Fritz Opens New Agency at Wheeling, W. Va.

The W. A. Fritz & Co. agency has begun operations in the Hawley building, Wheeling, W. Va. The agency has purchased the contracts formerly held by the Wheeling Fire Insurance Co. agency.

The new organization is managed by W. A. Fritz, who began his insurance career with West Virginia Inspection Bureau in 1921. In 1929 he became special agent for Royal in West Virginia. He has for the last 18 years been in local agency work.

The agency will do a limited general agency as well as local agency business, and will offer services to non-resident brokers.

### Sherwood Speaks Apr. 22

Bay State Club is sponsoring a meeting at Brookline, Mass., April 22 and is inviting independent adjusters to attend, to hear Donald B. Sherwood, general adjuster of the National Board,

speak on the operations of the National Board in the field of loss adjustment. At a similar meeting at Boston last week which was attended by 35 representatives of General Adjustment Bureau as well as by the club members, Mr. Sherwood spoke, along with Philip N. Winchester, eastern general manager of General Adjustment Bureau, and W. C. Moore, director of education and research of G.A.B.

### Home Has Formal Opening of New Boston Office

The new Boston office of Home formally opened Monday at 22 Battery-march street.

Removal of the offices from 71 Kilby street will provide increased facilities and will facilitate the integration program.

The illumination is particularly attractive, including concealed lighting reflected from the white dome above the ground floor suite, and continuous channel overhead lighting in the departments above. There were many rare historical prints and paintings on view. Several executives from the head office were present.

### Honor Cowles at Hartford

Edwin S. Cowles, Jr., was given a silver bowl by Insurance Board of Hartford in recognition of his 26 years as secretary-treasurer. Edwin S. Cowles III will succeed his father in the post.

### Barr Adjustment Changes

J. C. McLaughlin and C. F. Frederickson have joined Barr Adjustment Co. of San Bernardino, Cal., as staff adjusters.

Mr. McLaughlin formerly operated the McLaughlin Adjustment Service at Cadillac, Mich., and prior to that had service with several fire and casualty companies.

Mr. Frederickson is a graduate of University of South Dakota and has had 10 years' experience as a casualty and fire adjuster.

Barr Adjustment has sold its Las Vegas office to the Roger L. Gresham adjustment firm. Mr. Gresham has been an independent adjuster at Las Vegas for several years. He will continue to service the Barr company accounts in association with the California offices of the firm.

### Big Ore. Packing Loss

MILTON, ORE.—Fire of undetermined origin destroyed F. G. Lamb Packing Co. and expensive machinery with loss of upwards of \$500,000. Partial insurance was carried.

### Dallas Schools See Film

The junior and senior high school students of Dallas are now seeing the educational film, "Sharing Economic Risks," purchased jointly by Dallas Insurance Agents Assn. and Dallas Assn. of Life Underwriters. It shows how insurance works and defines insurance terms.

### Named B. C. General Agent

The W. B. Brandt & Co. of Seattle has been appointed marine general agent for London & Provincial in British Columbia.

### Arson Film in Production

Universal-International Studios has a film entitled "The Arson Story" in production and is basing it on case histories in National Board Files.

### Schuler to Louisville Agency

John C. Schuler, assistant secretary of Atlantic Mutual, has resigned to become manager of the Anchor agency of Louisville.

## SOUTH

### Okla. Rally at Ponca City Draws Turnout of 85

The morning session of the regional conference of Oklahoma Assn. of Insurance Agents at Ponca City was under direction of the public relations committee of Oklahoma Fire Underwriters Assn., with Jesse E. Murray, Jr., chairman of Kay county committee, presiding. Following the presentation of two sound films, "Approved by the Underwriters Laboratories" and "Your Best Policy," T. Ray Phillips, Sr., America Fore, explained the public relations program. I. M. Hughes, Oklahoma manager of Home, spoke on reinsurance and C. E. Johnson, state agent of New York Underwriters, on U. & O. insurance.

E. R. Ledbetter of Oklahoma City stressed the need for definite agreement with assured as to payment of premiums at the time the policy is delivered. He strongly advocated that all agents put the cost of doing business on the same basis, so that it can be compared with figures of other agents to see that it is on the right basis. Daye R. McKown reported for the legislative committee and James O. Welch of Tulsa for the education committee. The meeting drew an attendance of about 85, with eight new members registered.

### Va. College Loss \$300,000

The combination auditorium-dormitory building of Virginia State Teachers College at Farmville, Va., which sustained a loss estimated at \$300,000, was covered under a blanket policy for \$1,151,184, with 90% coinsurance. Mutuals as well as stocks were on the risk. Defective wiring is believed responsible for the blaze.

### Gibson at Lexington

George G. Gibson, Jr., Kentucky state agent of Liverpool & London & Globe and president Kentucky Fire Underwriters Assn. spoke at a luncheon of Lexington Assn. of Insurance Agents reviewing educational programs available. Mr. Gibson has very successfully managed educational courses arranged by Louisville Board.

### Plan San Antonio Cleanup

S. A. Dunn, Hartford Fire special agent, and Joe Holleran, Trinity Universal, representing Alamo Field Club met with the San Antonio Chamber of Commerce fire prevention committee, to plan a fire prevention and cleanup campaign for San Antonio, April 2-9. Evans Fitch of Fitch & Co. agency is chairman of the fire prevention committee.

### War on Arson in Georgia

ATLANTA—A determined campaign against arson, under the Georgia law passed at the recent session of the legislature, is being waged by Commissioner Cravey. One case has already been successfully prosecuted and had a dozen more are pending. Under the new law three types of arson are defined, with commensurate punishment while only one treatment was accorded the whole category, making it difficult to procure convictions in the past.

The new designations cover carelessness and negligence, maliciousness and mischievousness, and wilful and fraudulent intent, with commensurate punishment provided in varying degrees.

Insurance Women's Club of Oklahoma City named Mrs. Polly Drake and Miss Alice MacDonald delegates to the regional meeting at Fort Worth, April 24.



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*More fires can be traced to smoking and matches than to any other cause. One of the greatest fire-prevention devices ever invented is the ash tray. Make sure you have plenty both at home and in your office. Keep them within easy reach. Use them.*

## ÆTNA INSURANCE GROUP

ÆTNA INSURANCE COMPANY • THE WORLD FIRE AND MARINE INSURANCE CO.  
PIEDMONT FIRE INSURANCE CO. • STANDARD INSURANCE CO. OF N. Y.



THE CENTURY INDEMNITY COMPANY  
HARTFORD, CONNECTICUT

This advertisement also appears—in color—in **TIME, NEWSWEEK,**  
**U. S. NEWS and WORLD REPORT** • **W. Ross McCain, President**

**FOUNDED IN 1819**, the Aetna Insurance Company takes its name from the famous volcano, which "though surrounded by flame and smoke is itself never consumed." From that day to this—through wars, conflagrations and depressions—no policyholder has ever suffered loss because of failure of an Aetna Company to meet its obligations.



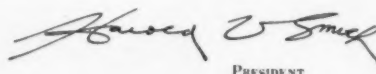
# A neighborly property insurance company reports to the Public:

WEBSTER defines "neighbor" as one who lives nearby; is associated with others on friendly terms.

By that definition, The Home is truly a neighborly property insurance company. Through its forty thousand representatives, The Home lives in and serves cities, towns and hamlets in every state of the Union.

To countless property owners, The Home is personified by the hard-working representative who takes an interest in their problems and their protection—the man who lives down the street, who serves on civic committees, the man who brings prompt financial relief to policyholders when disaster strikes. That is The Home, in its most fundamental sense.

Now, more than ever, The Home is a "grass roots" company. Ten fire-marine insurance companies which were previous affiliates, last year were merged into The Home. The balance sheet shown is the first complete one issued by the enlarged Home organization. This is rightly of interest to the public, because The Home is by far the leading insurance protector of American homes and the homes of American industry.

  
PRESIDENT

## Balance Sheet December 31, 1948

### ADMITTED ASSETS

Cash in Office, Banks and Trust Companies . . . . .	\$ 31,027,607.07
United States Government Bonds . . . . .	107,440,297.48
Other Bonds and Stocks . . . . .	122,046,607.25
Investment in Associated Company . . . . .	6,871,511.16
First Mortgage Loans . . . . .	3,126.58
Real Estate . . . . .	4,330,868.09
Agents' Balances, Less Than 90 Days Due . . . . .	10,811,751.20
Reinsurance Recoverable on Paid Losses . . . . .	706,975.90
Other Admitted Assets . . . . .	2,006,693.37
<b>Total Admitted Assets . . . . .</b>	<b>\$285,245,438.10</b>

### LIABILITIES

Reserve for Unearned Premiums . . . . .	\$141,729,267.00
Reserve for Losses . . . . .	33,879,862.00
Reserve for Taxes . . . . .	9,000,000.00
Liabilities Under Contracts with War Shipping Administration . . . . .	2,888,128.21
Reinsurance Reserves . . . . .	1,493,633.18
Other Liabilities . . . . .	2,417,432.63
<b>Total Liabilities Except Capital . . . . .</b>	<b>\$191,408,323.02</b>
<b>Capital . . . . .</b>	<b>\$20,013,595.49</b>
<b>Surplus . . . . .</b>	<b>73,823,519.59</b>
<b>Surplus as Regards Policyholders . . . . .</b>	<b>93,837,115.08</b>
<b>Total . . . . .</b>	<b>\$285,245,438.10</b>

### Directors

LEWIS L. CLARKE  
Banker  
CHARLES G. MEYER  
The Cord Meyer Company  
WILLIAM L. DEBOST  
Chairman,  
Union Dime Savings Bank  
EDWIN A. BAYLES  
Lawyer  
ROBERT GOELET  
Real Estate  
GEORGE MCANENY  
Vice Chairman,  
Wills & Trust Committee,  
Title Guarantee & Trust Co.  
GUY CARY  
Lawyer  
HAROLD V. SMITH  
President  
HARVEY D. GIBSON  
President,  
Manufacturers Trust Company  
FREDERICK B. ADAMS  
Chairman of Executive Committee,  
Atlantic Coast Line Railroad Co.  
ROBERT W. DOWLING  
President, City Investing Co.  
GEORGE GUND  
President, Cleveland Trust Co.  
HAROLD H. HELM  
President,  
Chemical Bank & Trust Co.  
CHARLES A. LOUGHIN  
Vice President & General Counsel  
IVAN ESCOTT  
Vice President  
C. STEVENSON NEWHALL  
Chairman of Board,  
Pennsylvania Co. of Philadelphia  
PERCY C. MADEIRA, JR.  
President,  
Land Title Bank & Trust Co.  
EARL G. HARRISON  
Lawyer  
JOHN A. STEVENSON  
President,  
Penn Mutual Life Ins. Co.  
CHAMPION McDOWELL DAVIS  
President,  
Atlantic Coast Line Railroad Co.  
WARREN S. JOHNSON  
President,  
Peoples Savings Bank & Trust Co.  
of Wilmington, N. C.  
ROGER W. BABSON  
Chairman of Board,  
Babson's Reports, Inc.  
ROBERT B. MEYER  
The Cord Meyer Company  
HENRY C. BRUNIE  
President,  
Empire Trust Company  
HARBIN K. PARK  
President & Director,  
First National Bank of Columbus,  
Georgia  
BOYKIN C. WRIGHT  
Lawyer

NOTES: Bonds carried at \$8,143,395.33 Amortized Value and Cash \$80,000.00 in the above balance sheet are deposited as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. Assets and Liabilities in Canada and Jamaica, B.W.I. have been adjusted to the basis of the free rate of exchange. Based on December 31, 1948 market quotations for all bonds and stocks owned, the Total Admitted Assets would be increased to \$285,403,703.37 and the policyholders' surplus to \$93,995,380.35.



PROPERTY  
INSURANCE

★ THE HOME ★  
*Insurance Company*

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • MARINE  
AUTOMOBILE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds.



